

(12) INTERNATIONAL APPLICATION PUBLISHED UNDER THE PATENT COOPERATION TREATY (PCT)

(19) World Intellectual Property Organization
International Bureau



(43) International Publication Date
27 December 2001 (27.12.2001)

PCT

(10) International Publication Number
WO 01/98463 A1

(51) International Patent Classification⁷: C12N 5/08

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(21) International Application Number: PCT/AU01/00735

(22) International Filing Date: 20 June 2001 (20.06.2001)

(25) Filing Language: English

(26) Publication Language: English

(30) Priority Data:
PQ 8242 20 June 2000 (20.06.2000) AU
PR 1327 8 November 2000 (08.11.2000) AU

(81) Designated States (*national*): AE, AG, AL, AM, AT, AU, AZ, BA, BB, BG, BR, BY, BZ, CA, CH, CN, CO, CR, CU, CZ, DE, DK, DM, DZ, EC, EE, ES, FI, GB, GD, GE, GH, GM, HR, HU, ID, IL, IN, IS, JP, KE, KG, KP, KR, KZ, LC, LK, LR, LS, LT, LU, LV, MA, MD, MG, MK, MN, MW, MX, MZ, NO, NZ, PL, PT, RO, RU, SD, SE, SG, SI, SK, SL, TJ, TM, TR, TT, TZ, UA, UG, US, UZ, VN, YU, ZA, ZW.

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(84) Designated States (*regional*): ARIPO patent (GH, GM, KE, LS, MW, MZ, SD, SL, SZ, TZ, UG, ZW), Eurasian patent (AM, AZ, BY, KG, KZ, MD, RU, TJ, TM), European patent (AT, BE, CH, CY, DE, DK, ES, FI, FR, GB, GR, IE, IT, LU, MC, NL, PT, SE, TR), OAPI patent (BF, BJ, CF, CG, CI, CM, GA, GN, GW, ML, MR, NE, SN, TD, TG).

Published:

— with international search report

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For two-letter codes and other abbreviations, refer to the "Guidance Notes on Codes and Abbreviations" appearing at the beginning of each regular issue of the PCT Gazette.

(54) Title: METHOD OF CONTROLLING DIFFERENTIATION OF EMBRYONIC STEM (ES) CELLS BY CULTURING ES CELLS IN THE PRESENCE OF BMP-2 PATHWAY ANTAGONISTS

(57) Abstract: ES cells have a natural tendency to differentiate into cells resembling those of the extra-embryonic endodermal lineages in the early human embryo. Applicants have found that culturing ES cells in the presence of direct and/or indirect antagonists of the BMP-mediated default pathway of extra-embryonic endoderm differentiation will prevent ES cells from proceeding along this pathway.

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Method of controlling differentiation of embryonic stem (ES) cells by culturing ES cells in the presence of BMP-2 pathway antagonists

The present invention relates to a method of culturing embryonic stem
5 (ES) cells particularly to improve stem cell maintenance and persistence in culture. The method also provides a culture of ES cells prepared by the method as well as differentiated cells derived from the embryonic cells resulting from directed differentiation procedures provided by the present invention.

10

INTRODUCTION

The production of human ES cells which can be either maintained in an undifferentiated state or directed to undergo differentiation into extraembryonic or somatic lineages *in vitro* allows for the study of the cellular and molecular
15 biology of early human development, functional genomics, generation of differentiated cells from the stem cells for use in transplantation or drug screening and drug discovery *in vitro*.

In general, stem cells are undifferentiated cells which can give rise to a succession of mature functional cells. For example, a haematopoietic stem cell
20 may give rise to any of the different types of terminally differentiated blood cells. ES cells are derived from the embryo and are pluripotent, thus possessing the capability of developing into any cell.

Much attention recently has been devoted to the potential applications of stem cells in biology and medicine. The properties of pluripotentiality and
25 immortality are unique to ES cells and enable investigators to approach many issues in human biology and medicine for the first time. ES cells potentially can address the shortage of donor tissue for use in transplantation procedures, particularly where no alternative culture system can support growth of the required committed stem cell. However, it must be noted that almost all of the
30 wide ranging potential applications of ES cell technology in human medicine—basic embryological research, functional genomics, growth factor and drug discovery, toxicology, and cell transplantation are based on the assumption that it will be possible to grow ES cells on a large scale, to introduce genetic modifications into them, and to direct their differentiation. Present systems fall

short of these goals. Present systems for the growth of human ES cells include the use of Dulbecco's modified Eagle's medium as a basal media with the addition of amino acids and beta mercaptoethanol, serum supplementation, and embryonic mesenchymal feeder cell support. Growth under these conditions is not sufficient for many applications including scaleup of cultures and cloning of single cells, the latter being necessary for selection of transformants following genetic manipulation. Moreover, under present growth conditions, stem cells often follow a default pathway of differentiation into an epithelial cell type that grows either as flat squamous cells attached to the surface of the dish, or in cysts. It is likely that this form of differentiation represents extraembryonic endodermal differentiation and it is postulated that this cell type resembles the primary yolk sac cells of the primate embryo. As noted previously, conditions in which this form of differentiation predominates are unfavourable for differentiation of ES cells into desired somatic cell types. It would be desirable to control the differentiation pathways to maintain the cells in an undifferentiated state and direct the differentiation to the type of cell when required. Prior to differentiation, genetic manipulation of the ES cells may be conducted. However, it has been difficult to maintain the cells in the undifferentiated stem cell stage and prevent a default pathway to extraembryonic differentiation. Where somatic lineages are desired, a means of regulating against extraembryonic differentiation of ES cells is an important aspect in governing the fate of the cell. More importantly, greater control of the differentiation process is achieved when various stages of the differentiation process are regulated for instance, at a progenitor cell stage.

Accordingly, it is object of the present invention to overcome or alleviate some of the problems of the prior art and to achieve some regulation of the differentiation process of ES cells to somatic or extraembryonic lineages.

SUMMARY OF THE INVENTION

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In a first aspect of the present invention there is provided a preparation of undifferentiated ES cells sustainable for a prolonged period in an undifferentiated state which will undergo stem cell renewal or somatic

differentiation. Preferably the cells are capable of somatic differentiation *in vitro* and are inclined to differentiate away from extraembryonic lineage.

ES cells have a natural capacity to differentiate into cells similar to those found in extraembryonic endodermal lineages of the early embryo. Accordingly,
5 if the cells are not treated to prevent this default differentiation pathway, somatic lineages cannot be effectively attained or maintained *in vitro* for further studies or manipulation. It is desired to maintain the cells in an undifferentiated state giving greater capacity for manipulation of differentiation particularly into somatic lineages.

10 In another aspect of the present invention, there is provided a method of culturing undifferentiated ES cells, said method including:

obtaining a source of undifferentiated ES cells; and
culturing the ES cells in the presence of an indirect or direct
antagonist of a BMP-mediated default pathway of extraembryonic endoderm
15 differentiation.

In the preferred embodiment, the present invention provides a method of culturing undifferentiated ES cells, said method including:

obtaining a source of undifferentiated ES cells; and
culturing the ES cells in the presence of an indirect or direct antagonist of
20 a BMP-2 mediated default pathway of extraembryonic endoderm differentiation.

Accordingly, in a preferred embodiment of the present invention, there is provided a method of culturing undifferentiated ES cells, said method including:

obtaining a source of undifferentiated ES cells; and
culturing the ES cells in the presence of noggin.

25 In another aspect of the present invention, there is provided a method of producing a progenitor cell from an ES (ES) cell, said method comprising:

obtaining a source of undifferentiated ES cells; and
culturing the ES cells in the presence of an antagonist of a BMP
mediated default pathway of extraembryonic endoderm differentiation for a
30 period sufficient to differentiate the ES cell to a progenitor cell.

In yet another aspect of the present invention there is provided a method of producing a somatic cell from an ES cell, said method comprising:

obtaining a source of undifferentiated ES cells;

culturing the ES cells in the presence of an antagonist of a BMP mediated default pathway of extra embryonic endoderm differentiation for a period sufficient to differentiate the ES cell to a progenitor cell;

5 obtaining a progenitor culture medium derived from another culture of a somatic progenitor;

culturing the progenitor cell in the progenitor culture medium; and
obtaining a somatic cell from a lineage of the somatic progenitor.

In yet another preferred embodiment of the present invention there is provided a method of culturing undifferentiated ES cells, said method including:
10 obtaining a source of undifferentiated ES cells; and
culturing the ES cells in the presence of noggin and a cell derived insulin or insulin analogue factor.

In another aspect of the present invention there is provided a method of culturing undifferentiated ES cells, said method including:
15 obtaining a source of undifferentiated ES cells; and
culturing the ES cells in the presence of a cell derived insulin or insulin analogue induced factor.

In another aspect of the present invention there is provided a method of culturing undifferentiated ES cells, said method including:
20 obtaining a source of undifferentiated ES cells; and
culturing the ES cells in the presence of insulin or an insulin analogue.

In yet another aspect of the present invention there is provided a method of culturing undifferentiated ES cells, said method including:
obtaining a source of undifferentiated ES cells; and
25 culturing the ES cells in the presence of a fibroblast and insulin or an insulin analogue.

Accordingly, this aspect of the invention provides a method for culturing ES cells so as to enhance stem cell survival and growth during routine culture and to enhance the extent and variety of somatic cells obtained under
30 differentiation conditions.

In another aspect of the present invention there is provided a method of culturing undifferentiated ES cells capable of somatic differentiation *in vitro*, said method including:

obtaining a source of undifferentiated ES cells; and

culturing the ES cells in the presence of a cell derived insulin or insulin analogue induced factor.

The undifferentiated ES cells may derive from the embryo directly or they may derive from already established cultures of ES cells as described in
5 PCT/AU99/00990.

Preferably the cells deriving the factor are ES cells.

In another aspect of the present invention there is provided a method of culturing undifferentiated ES cells capable of somatic differentiation *in vitro*, said method including:

10 obtaining a source of undifferentiated ES cells; and
culturing the ES cells in the presence of fibroblast cells and insulin or an insulin analogue.

In another aspect of the present invention there is provided a method of culturing undifferentiated ES cells capable of somatic differentiation *in vitro*, said
15 method including:

obtaining a source of undifferentiated ES cells; and
culturing the ES cells in the presence of insulin or an insulin analogue.

In another aspect of the present invention, there is provided a cell derived insulin or insulin analogue induced factor capable of maintaining ES
20 cells in an undifferentiated state but favouring somatic differentiation. The cells deriving the factor may be cultures containing ES cells.

In yet another preferred embodiment of the present invention there is provided a method of culturing undifferentiated ES cells, said method including:

obtaining a source of undifferentiated ES cells; and
25 culturing the ES cells in the presence of an antagonist BMP mediated default pathway of extraembryonic endoderm differentiation and a cell derived insulin or insulin analogue induced factor.

In another aspect of this invention there is provided a pluripotent progenitor cell distinct from an ES cell obtained by treatment of the latter with
30 noggin or other inhibitors or antagonists of bone morphogenetic proteins (BMP), which is capable of differentiation *in vitro* into a wide variety of somatic cells

In another aspect there is provided a differentiated committed progenitor cell line capable of differentiation into somatic cells.

In another aspect of this invention there is provided a neural progenitor cell derived from a noggin treated ES cell which can undergo differentiation into neurons and glial.

In another aspect, there is provided a somatic cell capable of differentiation *in vitro* from an undifferentiated ES cell. There is also provided a committed somatic cell capable of giving rise to mature somatic cells. The cells may differentiate into embryonic mesoderm and embryonic endoderm lineages, including, but not limited to cartilage, muscle, bone, hepatocyte, pancreatic islet cells and respiratory endothelium.

10

FIGURES

Figure 1A shows a graph of the number of cells/colony obtained when ES cells are cultivated under control conditions or in the presence of insulin for 7 days. The percentage of cells reactive with stem cell marker GCTM-2 is shown in Figure 1B.

Figure 2 shows agarose gel electrophoresis analysis of RT-PCR for Oct-4, GCNF, cripto, GDF-3, genesis, and β actin on control ES cell cultures (A) ES cell cultures maintained in insulin for five passages.

Figure 3 shows phase contrast morphology of differentiating ES cell cultures grown in control medium (A) or in the presence of insulin (B-C). Control cultures consist mainly of squamous epithelial cells which form cysts, while insulin tested cultures retain a range of cell types.

Figure 4 shows agarose gel electrophoresis of RT-PCR analysis for markers of endodermal lineages obtained from stem cells or spontaneously differentiating ES cells. Markers include alphafetoprotein, HNF3 alpha, transferrin, vitronectin. Actin is shown to indicate RNA quantity.

Figure 5 shows a section of a teratoma formed when ES cells grown in the presence of insulin were injected into immunodeprived mice.

Figure 6 shows RT-PCR analysis of expression of BMP-2 and its receptor subunits in cultures of ES cells. For each pair of products, left hand lane shows control and right differentiated culture. Lanes: molecular weight marker, BMP-2, BMPR1a, BMPR2 beta actin, and activin receptor beta.

Figure 7 shows RT-PCR analysis of the effect of BMP-2 treatment of human ES cells on their expression of stem cell and endodermal markers. Left hand side, control, right hand side BMP-2 treated. Shown are products representing transcripts for alphafetoprotein, hepatic nuclear factor 3 alpha, Sox 17, transferrin, vitronectin, beta actin, and beta actin no RT control.

Figure 8 shows immunochemical analysis of the expression of low molecular weight cytokeratins A (Figure 8A) and the extracellular matrix protein laminin in human ES cells treated with BMP-2 (Figure 8B).

Figure 9 shows phase contrast micrographs of control (A) and noggin treated ES cells (B).

Figure 10 shows effect of noggin treatment on the proportion of human ES cells expressing the stem cell marker GCTM-2. Blocking antibody against gp-130 has no effect on ES differentiation, indicating a lack of response of human ES cells to stimulation of this receptor.

Figure 11 shows RT-PCR analysis of gene expression in control and noggin treated ES cell cultures. Left, Noggin treated cells; right, control ES cells. RT-PCR products representing cDNA for Oct-4, Cripto, alphafetoprotein, transferrin, vitronectin, nestin, Pax-6, beta actin, and no RT control for beta actin are shown. Oct-4 and Cripto are stem cell markers, alphafetoprotein, transferrin, and vitronectin are extraembryonic endoderm markers, and nestin and Pax-6 are markers of early neuroectoderm. The ES control culture has begun to differentiate and therefore lacks the Cripto transcript but expresses alphafetoprotein and transferrin as well as nestin and Pax-6.

Figure 12 shows noggin cells which were serially cultivated on a mouse embryo fibroblast feeder cell layer.

Figure 13 shows phase contrast image of a neurosphere derived from noggin treated ES cell cultures.

Figure 14 shows a fluorescence micrograph of noggin treated neurosphere allowed to attach to a dish coated with laminin undergoing differentiation into neuronal cells; staining is with antibody to 200kDa neurofilament protein

Figure 15 shows a fluorescence micrograph of noggin treated ES cells grown in monolayer culture in standard ES cell culture medium in the presence of serum; staining is with antibody to glial fibrillary acidic protein.

DESCRIPTION OF THE INVENTION

In a first aspect of the present invention there is provided a preparation of
5 undifferentiated ES cells sustainable for a prolonged period in an undifferentiated state which will undergo stem cell renewal or somatic differentiation. Preferably the cells are capable of somatic differentiation *in vitro* and are inclined to differentiate away from an extraembryonic lineage.

Throughout the description and claims of this specification, the word
10 "comprise" and variations of the word, such as "comprising" and "comprises", is not intended to exclude other additives, components, integers or steps.

ES cells have a natural capacity to differentiate into cells resembling those of extraembryonic endodermal lineages in the early human embryo. Accordingly, if the cells are not treated to prevent this defaulted differentiation
15 pathway, somatic lineages cannot be effectively attained or maintained *in vitro* for further studies or manipulation. It is desired to maintain the cells in an undifferentiated state giving greater capacity for manipulation of differentiation particularly into somatic lineages.

The preparation of the present invention is preferably a purified
20 preparation and is capable of prolonged cultivation and are substantially maintained under conditions which do not induce cell death or differentiation. However, it is preferable that the cells are capable of differentiation particularly toward somatic lineages such as when a differentiating signal is introduced.

Preferably, the embryonic cells are capable of maintaining an
25 undifferentiated state when cultured on a fibroblast feeder layer generally under non-differentiating conditions. Desirably the fibroblast feeder layer does not induce cell death or extraembryonic differentiation.

The cultured cells maintained in the undifferentiated state may have the potential to differentiate *in vitro* when subjected to differentiating conditions.
30 However when a differentiation signal is given it is best that the cells have the capacity to differentiate *in vitro* into a wide array of somatic lineages.

The promotion of stem cells capable of being maintained in an undifferentiated state *in vitro* on one hand, and which are capable of differentiation *in vitro* into somatic lineages on the other hand, allows for the

study of the cellular and molecular biology of early human development, functional genomics, generation of differentiated cells from the stem cells for use in transplantation or drug screening and drug discovery *in vitro*.

Once the cells are maintained in the undifferentiated state, they may be differentiated to mature functional cells. The ES cells are derived from the embryo and are pluripotent and have the capability of developing into any organ or tissue type such as blood cells, neuron cells or muscle cells.

In another aspect of the present invention, there is provided a method of culturing undifferentiated ES cells, said method including:

- 10 obtaining a source of undifferentiated ES cells; and
- culturing the ES cells in the presence of an indirect or direct antagonist of a BMP-mediated default pathway of extra embryonic endoderm differentiation.

Applicants have found that the default pathway of extraembryonic endoderm differentiation seen in ES cell cultures grown under standard conditions may be mediated by endogenous production of growth and differentiation factors or BMPs (bone morphogenetic proteins), which are members of the transforming growth factor beta (TGF β) superfamily. As used herein these proteins and related proteins of the TGF- β superfamily are collectively known as BMPs. Untreated cultures of ES cells grown under standard conditions express transcripts for both BMPs and their receptors. Moreover, cultures treated with BMPs will undergo differentiation into a cell type with a morphology similar to the flat squamous cells found in spontaneously differentiating cultures, and will express immunochemical markers and genes characteristic of this cell type. It is therefore posulated by the applicants that a BMP-mediated autocrine loop driving extraembryonic endoderm differentiation in human ES cell cultures may lead to extinction of stem cells (undifferentiated) or inhibition of production of desired somatic types.

The "undifferentiated ES cells" of the present invention may be obtained by any means available to the skilled addressee. It is intended that this term encompasses newly isolated undifferentiated ES cells as well as established and cultured undifferentiated ES cells. However, they may be obtained by the methods outlined in PCT/AU99/00990 which includes ES cells derived from an embryo as a culture of ES cells. The entire contents of that application are incorporated herein.

The BMPs are multifunctional cytokines and members of the TGFbeta β superfamily. They are regulated by BMP binding proteins such as noggin and chordin. Several BMPs exist having various functions. For instance, BMP-2 is involved in regulating bone formation whilst BMP-4 has been implicated in development as a regulator of mesodermal induction.

The BMPs mediated default pathway is mediated by expression of BMPs as measured by expression of BMPs and their receptors. Preferably, it is measured by expression of BMP-2 and its receptors.

In a preferred embodiment, the present invention provides a method of culturing undifferentiated ES cells, said method including:

obtaining a source of undifferentiated ES cells; and

culturing the ES cells in the presence of an indirect or direct antagonist of a BMP-2 mediated default pathway of extraembryonic endoderm differentiation.

This was a surprising result since BMP-2 is not previously shown to be involved in the enhancement of stem cell renewal or favouring somatic differentiation.

A number of naturally occurring indirect or direct antagonists of BMPs have been identified. Direct antagonists of BMPs maybe selected from the group including, but not restricted to fetuin, noggin, chordin, gremlin, follistatin, cerberus, amnionless, DAN, or the ectodomain of BMPR1A (a BMP receptor protein), or ligand binding domains from other BMP receptors. Preferably the BMP-2 antagonist is noggin.

An indirect BMP antagonist is one which does not act directly on BMP but has an effect on intracellular signaling pathways which modulate the action of BMP. Preferably an indirect BMP antagonist is insulin or insulin analogue.

Insulin or insulin analogues and homologues may antagonise BMP indirectly, by blocking a stress response of human ES cells. Conditions which place stress on stem cells may lead to this default form of differentiation toward extraembryonic endoderm differentiation.

Accordingly, in a preferred embodiment of the present invention, there is provided a method of culturing undifferentiated ES cells, said method including: obtaining a source of undifferentiated ES cells; and culturing the ES cells in the presence of noggin.

Any source of the BMP antagonist may be used. However, a mouse BMP antagonist noggin has been found by the applicants to be particularly effective in preventing extraembryonic differentiation. Applicants have found a mouse BMP antagonist noggin consisting of a signal peptide, the mouse noggin peptide from amino acid residues 20 to 232, a peptide linker, and the Fc region of human IgG1 (R&D Systems) maybe used to maintain the culture of undifferentiated ES cells. However, other sources of noggin and the peptide sequence may be used in these dimensions to prevent extraembryonic differentiation and preferably drive the ES cells in a desired direction either to somatic differentiation or to ES cell renewal.

A preferred range of BMP antagonist is in the range of 100-500 ng/ml to cells grown under standard ES cell culture conditions. This range is particularly effective for noggin.

The BMP antagonist may be added to an undifferentiated ES cell culture at any stage. However, it is preferred that the antagonist is added before the default pathway of extraembryonic endoderm differentiation begins.

The BMP antagonist may be cultured with the cells for any period, preferably for a period sufficient to obtain a homogeneous population.

In another aspect of the present invention, there is provided a method of producing a progenitor cell from an ES cell, said method comprising:

obtaining a source of undifferentiated ES cells; and

culturing the ES cells in the presence of an indirect or direct antagonist of a BMP mediated default pathway of extra embryonic endoderm differentiation for a period sufficient to differentiate the ES cell to a progenitor cell.

Preferably the antagonist is any antagonist alone or in combination as listed above. More preferably, it is an antagonist of a BMP-2 mediated default pathway. Noggin is mostly preferred as a direct antagonist.

The period sufficient to differentiate the ES cell will depend on the antagonist used. Where noggin is used, a period of at least 5 days may provide progenitor cells differing in appearance to ES cells.

Applicants have found that after approximately 5 days noggin treated cultures (100-500ng/ml) consisted of colonies of distinct small round cells differing in appearance from ES cells. In contrast to control cultures, colonies in noggin treated dishes contained no flat squamous epithelial cells or cystic

structures similar to those in BMP-2 treated cultures. The growth of the colonies was also inhibited in the presence of noggin, and the proportion of cells bearing the stem cell marker GCTM-2 was reduced compared to control cultures. The noggin cultures become homogenous in appearance, though at
5 later time points they may show a tendency to form palisade cell structures.

The immunophenotype of the noggin treated cells may be distinguished by their lack of expression of a number of markers characteristic of ES cells or differentiated cells found spontaneously at early time points at approximately 7-10 days following ES cell subculture under standard conditions. Thus the
10 noggin induced cells maybe characterised by being unreactive with any one of following antibodies including PHM4 recognising MHC Class 1 surface molecules, anti-desmin, UJ13A reactive with polysialylated N-CAM, Cam 5.2 reactive with low molecular weight cytokeratins, AMF reactive with vimentin intermediate filaments, antibody to 160 kDa neurofilament protein, GCTM-2
15 reactive with a proteoglycan present on the surface of ES cells, TG42.1 reactive with a 25 kDa protein which copurifies with the proteoglycan recognised by GCTM-2 and is found on stem cells and other cell types, monoclonal antibody GCTM-5 reactive with an unknown molecule present on a small proportion of cells in spontaneously differentiating human EC cell cultures. However, a
20 variable proportion of cells present in noggin treated cultures may be reactive with an antibody recognising the 68kDa neurofilament protein.

The noggin treated cells may be further characterised in biological assays. Addition of 25 ng/ml recombinant human BMP-2 along with 250ng/ml noggin has been found by the Applicants to lead to the appearance of
25 squamous cells and cysts characteristic of spontaneously differentiating ES cell cultures or BMP-2 treated cultures, indicating that BMP-2 could antagonise the noggin effect. The noggin treated cells could be subcultivated under standard conditions for ES cell culture and retain their distinctive morphology and lack of expression of markers for ES cells, extraembryonic endoderm, neural
30 progenitors, or other types of somatic cells under these conditions.

In yet another aspect of the present invention there is provided a method of producing a somatic cell from an ES cell, said method comprising:

obtaining a source of undifferentiated ES cells;

culturing the ES cells in the presence of an indirect or direct antagonist of a BMP mediated default pathway of extra embryonic endoderm differentiation for a period sufficient to differentiate the ES cell to a progenitor cell;

obtaining a progenitor culture medium;

- 5 culturing the progenitor cell in the progenitor culture medium; and
obtaining a somatic cell from a lineage of the progenitor.

The somatic cell may be any cell of the somatic lineage. The use of the BMP antagonist can produce a progenitor cell which is capable of differentiation into any somatic lineage.

- 10 The progenitor culture medium may be derived from the culture of a somatic progenitor which also can differentiate into the desired somatic cell or it may be a culture medium which is customised for the somatic progenitor and freshly formulated for the particular somatic cell type. Preferably, for a neural cell, it is desired that the progenitor culture medium is derived from a culture of
15 a neural progenitor such a culture may derive from a neural progenitor culture as described in PCT/AU01/00278. Hence, the somatic cell (preferably neural cell) which is differentiated via the route described will have a lineage of the somatic progenitor (neural progenitor). The progenitor culture medium may also be customised as described above and for instance, for a neural cell, the
20 progenitor culture medium may be a medium specifically formulated for neural progenitors.

The progenitor cell may be a neural progenitor cell cultured as described in PCT/AU01/00278. The neural progenitor may be induced to differentiate into mature neurons or glia as described therein.

- 25 The progenitor cell may also be cultivated on plastic surfaces in monolayer culture in the presence of serum and the absence of a feeder cell layer to give rise to glial cells and other cell types.

- The BMP antagonists are as described above. Preferably, the antagonist is a BMP-2 antagonist. Most preferably it is a direct antagonist such
30 as noggin.

Applicants have found that if the noggin treated cells were placed in neural progenitor culture medium, they formed structures with the appearance of neurospheres which could be maintained in culture. This finding, along with the presence of cells expressing the 68 kDa neurofilament protein in noggin

treated cultures, suggests that the noggin cells are capable of undergoing commitment of neurogenic lineages, in line with effects of noggin in early vertebrate embryos. These neurospheres could give rise to cells with the properties of mature neurons.

- 5 Alternatively the noggin cells may be further subcultured in the absence of a feeder cell layer to give rise to glial cells and other cell types or the noggin cells may be cultured under conditions which induce the formation of other somatic cell progenitors and/or differentiated cells derived therefrom.

Accordingly, an antagonist of BMP-2 may alter the outcome of
10 differentiation of human ES cells.

In a preferred aspect of this invention there is provided a method of producing a cell of a neurogenic lineage, said method comprising:

- obtaining a source of undifferentiated ES cells;
- 15 culturing the ES cells in the presence of noggin to produce a progenitor cell;
- obtaining a neural progenitor culture medium; and
- culturing the progenitor cell in the neural progenitor culture medium for a period sufficient to obtain a neural progenitor culture and a cell of a neurogenic lineage.

20 Freshly prepared and formulated progenitor culture medium may be used in conjunction with noggin to cause the differentiation of the somatic cell.

In a further preferred aspect there is provided a method of producing a cell of a neurogenic lineage, said method comprising:

- obtaining a source of undifferentiated ES cells;
- 25 culturing the ES cells in the presence of noggin to produce a progenitor cell;
- obtaining a neural progenitor culture medium derived from another culture; and
- culturing the progenitor cell in the neural progenitor culture medium for a
30 period sufficient to obtain a neural progenitor culture and a cell of a neurogenic lineage.

The period to culture the progenitor cell may be dependent upon the progenitor culture medium. However, the period may be determined when a substantially homogeneous cell population is obtained.

The progenitor culture medium may also be conditioned medium obtained from another culture of neural progenitor cells. Preferably, the conditioned medium is obtained from progenitor cells which have not undergone differentiation to the neural or glial cells.

5 Any medium is suitable and may be commercially available. Preferably, the medium is derived from neural progenitor cell cultures described in PCT/AU01/00278.

In another aspect of the present invention there is provided a population of stem cells or progenitor cells identified by particular patterns of surface
10 antigen expression, including but not limited to, a lack of expression of ES cell markers such as GCTM-2 and surface antigen expression by lack of reaction to any of the following antibodies including PHM4 recognising MHC Class 1 surface molecules, anti-desmin, UJ13A reactive with polysialylated N-CAM, Cam 5.2 reactive with low molecular weight cytokeratins, AMF reactive with
15 vimentin intermediate filaments, antibody to 160kDa neurofilament protein, GCTM-2 reactive with a proteoglycan present on the surface of ES cells, TG42.1 reactive with a 25kDa protein which copurifies with a proteoglycan recognised by GCTM-2 and is found on stem cells and other cell types, monoclonal antibody GCTM-5 reactive with an unknown molecule present on a
20 small proportion of cells in spontaneously differentiating human EC cell cultures.

In another preferred embodiment of the present invention there is provided a method of culturing undifferentiated ES cells, said method including:

obtaining a source of undifferentiated ES cells; and

25 culturing the ES cells in the presence of a cell derived insulin or insulin analogue induced factor.

Preferably the cells deriving the factor are cultures containing ES cells.

It is intended that the methods described herein, include deriving a stem cell de novo in the presence of insulin or insulin analogue as well as maintaining an undifferentiated ES cell culture.

30 In another preferred embodiment of the present invention there is provided a method of culturing undifferentiated ES cells, said method including:

obtaining a source of undifferentiated ES cells; and

culturing the ES cells in the presence of insulin or an insulin analogue.

In yet another preferred embodiment of the present invention there is provided a method of culturing undifferentiated ES cells, said method including:

obtaining a source of undifferentiated ES cells; and

5 culturing the ES cells in the presence of a fibroblast feeder layer and insulin or an insulin analogue.

Accordingly, this embodiment of the invention provides a method of culturing ES cells so as to enhance stem cell survival and growth during routine culture and to enhance the extent and variety of somatic cells obtained under differentiation conditions. Insulin and Insulin analogues may have an indirect
10 antagonistic effect on the BMP mediated default pathway.

ES stem cells may be controlled by exogenous factors at several levels: cell survival, maintenance of pluripotentiality, and stem cell renewal (cell multiplication). It is likely that insulin or insulin analogues affect both cell survival and maintenance of pluripotentiality. In combination with other factors
15 which drive stem cell renewal, insulin or its analogues enhance the expansion of stem cell numbers.

In a further preferred embodiment of the invention, there is provided a method of culturing undifferentiated ES cells, said method including:

obtaining a source of undifferentiated ES cells;

20 culturing the ES cells on a fibroblast feeder cell layer; and

subjecting the cultured cells to an effective amount of insulin or an insulin analogue.

The cells may be cultured on fibroblast cells and then subjected to insulin or an insulin analogue possibly after the cells have been initially cultured for a
25 time to establish the ES cell culture.

The Applicants have found a means to achieve this by culturing the ES cells generally on a fibroblast feeder cell layer in the presence of insulin or an insulin analogue. The analogue may be IGF-1 or IGF-2. Preferably the insulin analogue is IGF-2. The insulin or an analogue may induce the stem cells to
30 produce a factor(s) capable of supporting stem cell growth and which favours somatic differentiation.

Insulin or analogues thereof including IGF-1 or IGF-2 have been used to support the growth and survival of a wide range of cultured mammalian cells. However, the positive effects of insulin or analogues thereof including IGF-1 or

IGF-2 on growth and survival of ES cells cultured in the presence of serum and in the presence or absence of a feeder cell support have not been reported.

The action of insulin or an insulin analogue such as IGF-2 may be directly on the ES cells. Insulin or an analogue may function in combination with
5 factors produced by stem cells themselves, such as Cripto or GDF-3.

For instance, where the ES cells are grown in the absence of a feeder cell layer, the cell derived insulin or insulin analogue induced factor may be harvested from a separate culture of cells such as stem cells exposed to insulin or insulin analogue. The conditioned medium derived from this source
10 containing the insulin or insulin analogue induced factor may then be introduced to the ES culture at a concentration suitable to maintain the cells in an undifferentiated state but capable of differentiation into a somatic lineage.

Alternatively, the ES cells may be grown on a fibroblast feeder cell layer and the insulin or insulin analogue may act on the ES cells themselves, in
15 conjunction with factors produced by the fibroblasts or by the stem cells themselves. The growth factors GDF-3 and cripto are produced by human ES cells. Addition of these factors along with insulin or insulin analogue may further enhance cell growth. Other factors may be produced by insulin or insulin analogue treated stem cells which will enhance stem cell growth or survival.

20 Insulin or an insulin analogue such as IGF-2 may be added at a concentration of approximately 10 ng/ml to 10 μ g/ml to the stem cell culture from which the factor is liberated and preferably harvested. It may also be added to an ES cell culture maintained on a fibroblast feeder cell layer, or to act on the ES cells directly. Ideally, the concentration is 10 μ g/ml.

25 The insulin or an analogue may be added at the time of cultivation either directly to the ES cells on the fibroblast feeder cell layer.

In another aspect of the present invention, there is provided a cell derived insulin or insulin analogue induced factor capable of maintaining ES cells in an undifferentiated state but capable of differentiation into a somatic
30 lineage. Preferably the factor is induced by subjecting ES cells to insulin or insulin analogues thereof. The factor is generally found in the culture medium (supernatant) of ES cells and may be isolated therefrom.

The cell derived insulin or insulin analogue induced factor from fibroblasts may be identified by the following:

- 1) Treating the ES cells with insulin or an analogue, harvesting conditioned medium from treated or control cells, testing the biological effects of these media on ES cells, and identifying the active factors by biochemical means known to the skilled addressee such as by chromatography by testing
5 each factor; or
- 2) Differential analysis of gene expression in control ES cells and ES cells treated with insulin or an analogue to identify these factors using for example representational display analysis followed by standard techniques of molecular cloning and recombinant protein expression, or related techniques
10 known to the skilled addressee.

The ES cells may be grown in the presence or absence of a feeder cell layer. Where a feeder cell layer is used, it is preferably a fibroblast feeder cell layer of the type described in PCT/AU99/00990. The entire contents of that application are incorporated herein.

- 15 The effects of insulin or an insulin analogue on the stem cell derived insulin induced factor may be evident within 5 to 7 days of subcultivation of an ES colony in media containing insulin.

In another aspect of this invention there is provided a population of stem cells or committed progenitor cells identified by particular patterns of surface
20 antigen expression, including but not limited to those which are positive for both GCTM-2 and TRA 1-60, those which are positive for one or other of these antigens, and those which lack either antigen on their surface

The effect of insulin or analogue or the insulin or insulin analogue induced factor is evidenced morphologically by a more tightly packed and
25 uniform appearance compared to colonies grown in the absence of insulin or analogues or the factor. Many more cells of uniform stem cell morphology are present in treated colonies, and immunostaining methods using stem cell specific markers to count the number of cells expressing such markers or estimating their proportion by flow cytometry using such stem cell specific
30 markers may be used to confirm this. Without being limited by theory, it is considered that the chief effect of insulin or analogue treatment or the effect of the factor over the short term is to increase the number of cells in each colony without a marked effect on the proportion of stem cells present, consistent with an effect on stem cell multiplication or survival.

Applicants have observed that there is heterogeneity even in cultures consisting of cells with the appearance of stem cells. For example, the proportion of cells reactive with the markers GCTM-2 is consistently lower than that of cells reacting with TRA 1-60. This may reflect stem cells at different levels of maturation within the population. Insulin or analogue treatment consistently produces a modest decrease in the proportion of TRA 1-60 positive cells but does not change the proportion of GCTM-2 positive cells. This may be indicative of a change in the rate of stem cell maturation. Isolation of the various subpopulations of cells (eg TRA1-60 + GCTM-2 +, GCTM-2 + TRA1-60-
5 , TRA 1-60 + GCTM-2 -, or TRA 1-60 - GCTM-2 -) in control and insulin or analogue treated cultures may help identify novel cellular intermediates with desired properties, such as enhanced colony forming ability or somatic differentiation capacity.

It has now been found that stem cells grown in the presence of insulin or analogue or the insulin or analogue induced factor persist much longer than
15 stem cells grown in the absence of insulin or analogue or of the factor. They may still be present up to 3 weeks or more whilst control colonies (grown in the absence of insulin or the factor) will consist of differentiated cells.

These effects of insulin or its analogues may be interpreted as
20 enhancement of stem cell survival and maintenance of pluripotentiality.

Undifferentiated stem cells may be propagated and subcultured for multiple passages in the presence of insulin or analogue or the factor. Successful long term maintenance of stem cells in the presence of insulin or analogue or the factor may be proven by the continued presence in the cultures
25 of diploid cells bearing stem cell markers and expressing stem cell specific genes such as Oct-4. Furthermore, in cultures passaged through 20 to 30 population doublings, stem cells may be demonstrated by such cells forming teratomas in SCID mice which contain derivatives of all three embryonic germ layers.

Hence insulin or an analogue or the cell derived insulin or insulin
30 analogue induced factor is useful as described in the present invention to increase the number and persistence of stem cells during routine passage.

Insulin or insulin analogues may also be added to cultures during the derivation of ES cells from blastocysts as described in PCT/AU99/00990.

In another aspect of the present invention there is provided a method of culturing undifferentiated ES cells capable of somatic differentiation *in vitro*, said method including:

- obtaining a source of undifferentiated ES cells; and
- 5 culturing the ES cells in the presence of a cell derived insulin or insulin analogue induced factor.

Preferably the cells deriving the factor are ES cell cultures.

- In another aspect of the present invention there is provided a method of culturing undifferentiated ES cells capable of somatic differentiation *in vitro*, said
- 10 method including:

- obtaining a source of undifferentiated ES cells; and
- culturing the ES cells in the presence of fibroblast cells and insulin or an insulin analogue.

- In another aspect of the present invention there is provided a method of
- 15 culturing undifferentiated ES cells capable of somatic differentiation *in vitro*, said method including:

- obtaining a source of undifferentiated ES cells; and
- culturing the ES cells in the presence of insulin or an insulin analogue.

- In addition to affecting the number and persistence of stem cells during
- 20 routine passage, the addition of insulin or analogue or the factor can also affect the outcome of differentiation.

In a preferred aspect of the invention, there is provided a method of culturing undifferentiated ES cells capable of somatic differentiation *in vitro*, said method including:

- 25 obtaining a source of undifferentiated ES cells;
- culturing the ES cells on a fibroblast feeder cell layer; and
- subjecting the cultured cells to an effective amount of insulin or an insulin analogue.

- The cells may be cultured on fibroblast cells and then subjected to insulin
- 30 or an insulin analogue possibly after the cells have been initially cultured for a time to establish the ES cell culture.

Somatic differentiation is favoured under conditions that limit stem cell renewal but support cell survival and limit extraembryonic differentiation. Applicants have found that addition of insulin to fibroblast feeder cells limits

extraembryonic differentiation into the extraembryonic endodermal cell type. The decreased proportion of cells undergoing extraembryonic differentiation may be demonstrated by the lower proportion of cells bearing characteristic markers of this lineage. The phenotypic identification of the extra embryonic
5 cell may be demonstrated by the presence of specific markers of the extraembryonic endodermal lineage, using immunocytochemistry or RT-PCR, such markers including transcription factors such as HNF3 alpha and beta, cytokeratins including cytokeratin 19, the cell adhesion molecule vitronectin and basement membrane molecules such as Type IV collagen and laminin. Stem
10 cells persist longer in cultures treated with insulin or an analogue thereof or the stem cell derived insulin or insulin analogue induced factor and as such cultures may be maintained without renewal of a feeder layer, somatic differentiation is strongly favoured, with neuroectoderm precursors (staining for N-CAM and nestin and expressing Pax-6) appearing first, in larger numbers than in control
15 dishes. Thereafter, many additional cell types may be seen in insulin or insulin-induced factor treated cultures that are not usually detected in control cultures due to high proportions of extraembryonic cells in the latter. These novel cell types may be characterised by distinctive morphology, surface marker expression and patterns of gene expression.

20 In yet another preferred embodiment of the present invention there is provided a method of culturing undifferentiated ES cells, said method including:
obtaining a source of undifferentiated ES cells; and
culturing the ES cells in the presence of an antagonist of a BMP mediated default pathway of extraembryonic endoderm differentiation and a cell
25 derived insulin or insulin analogue induced factor.

In another preferred embodiment of the present invention, there is provided a method of culturing undifferentiated ES cells, said method including:
obtaining a source of undifferentiated ES cells; and
culturing the ES cells in the presence of an antagonist of a BMP
30 mediated default pathway of extraembryonic endoderm differentiation and fibroblast cells and insulin or insulin analogue.

In another preferred embodiment of the present invention, there is provided a method of culturing undifferentiated ES cells, said method including
obtaining a source of undifferentiated ES cells; and

culturing the ES cells in the presence of an antagonist of a BMP mediated default pathway of extraembryonic endoderm differentiation and insulin or insulin analogue.

5 The use of a BMP-antagonist and insulin or insulin analogues is as described above but may be used in combination to antagonize the BMP-mediated default pathway toward extra embryonic endoderm differentiation. Preferably, the BMP-antagonist is a BMP-2 antagonist. Most preferably, the antagonist is noggin.

10 In another preferred embodiment, the undifferentiated cells cultured according to the invention differentiate under differentiating conditions *in vitro* to form somatic lineages when subject to a differentiation signal.

In another aspect there is provided a committed progenitor cell line capable of differentiation into somatic cells, preferably produced by the methods described herein.

15 In another aspect, there is provided a somatic cell capable of differentiation *in vitro* from an undifferentiated ES cell. There is also provided a committed somatic cell capable of giving rise to mature somatic cells. The cells may differentiate into embryonic mesoderm and embryonic endoderm lineages, including, but not limited to cartilage, muscle, bone, hepatocyte, pancreatic islet
20 cells and respiratory endothelium. Preferably the somatic cells are derived from any of the methods described herein.

These cells may be obtained by somatic differentiation of human ES cells, identified by markers. These cells may be isolated in pure form from differentiating ES cells, *in vitro*, and propagated *in vitro*. They may be induced
25 to undergo differentiation to mature somatic cell lineages.

In the presence of a differentiation signal, undifferentiated ES cells in the right conditions will differentiate into derivatives of the embryonic germ layers (endoderm, mesoderm and ectoderm), and/or extraembryonic tissues such as neuron tissue. This differentiation process can be controlled.

30 Conditions for obtaining differentiated cultures of somatic cells from ES cells are described in PCT/AU99/00990, the contents of which are incorporated herein.

Once the cells have been induced to differentiate, the various cell types, identified by means described above, may be separated and selectively

cultivated. The progenitor cells may differentiate into any cells including embryonic mesoderm and embryonic endoderm lineages, including, but not limited to cartilage, muscle, bone, hepatocyte, pancreatic islet cells and respiratory endothelium.

- 5 The present invention will now be more fully described with reference to the following examples. It should be understood, however, that the description following is illustrative only and should not be taken in any way as a restriction on the generality of the invention described above.

10

EXAMPLES

Example 1: Action of insulin on short term maintenance of human ES cells.

- HES-1 or HES-2 cells described in PCT/AU99/00990 were subcultured in the presence or absence of insulin and maintained without subculture for
15 periods of 1-4 weeks. Colonies of treated or control cells were harvested using dispase. Some colonies were used to determine the presence of transcripts for stem cell specific genes (Oct-4, Cripto, Genesis, GDF-3, GDNF) in the cultures by RT-PCR. Other colonies were dissociated to single cells and stained for the presence of stem cell specific markers such as the GCTM-2 antigen. The total
20 number of cells per colony was determined and the percentage of stem cells present was assessed by flow cytometry. (See Figures 1 and 2).

Example 2: Action of insulin on long-term maintenance of human ES cells.

- 25 HES 1 and HES-2 were cultivated for at least 10 passages in the presence of insulin and HES-3 and HES-4 were derived from blastocysts in the presence of insulin and cultured for at least ten passages. Following this period of cultivation which represents at least 50 population doublings, the cell phenotype was determined using immunochemistry and RT-PCR for stem cell
30 markers, the karyotype was assessed by G-banding, and the ability to differentiate into various cell types was assessed by transplantation of cells into said mice and by immunostaining of cells grown to high density for various markers of specific differentiated cell types including neuronal and muscle cells (Figure 5).

Example 3: Effect of insulin on somatic differentiation of human ES cells.

HES1 and HES2 were subcultured in the presence of insulin and maintained for 3-6 weeks without further transfer. The extent of extraembryonic differentiation was assessed by morphological evaluation of the presence of squamous cells forming cystic vesicles. The extent of somatic differentiation was assessed by morphological assessment and by immunochemical staining for known markers of somatic cell lineages including neuronal markers. (See Figures 3 and 4).

Example 4: Effect of noggin on undifferentiated ES cells

Undifferentiated stem cells were derived as in PCT/AU99/00990.

A recombinant form of the mouse BMP antagonist noggin, consisting of a signal peptide, the mouse noggin peptide from amino acid residues 20-232, a peptide linker, and the Fc region of human IgG1 (R&D Systems), was added in the dose range 100-500 ng/ml to cells grown under standard ES cell culture conditions.

Applicants have found that the default pathway of extraembryonic endoderm differentiation seen in ES cell cultures grown under standard conditions may be mediated by endogenous production of the growth and differentiation factor BMP (bone morphogenetic protein), a member of the transforming growth factor beta superfamily. Untreated cultures of ES cells grown under standard conditions express transcripts for both BMP and its receptors (Figure 6).

Cultures treated with BMP will undergo differentiation into a cell type with a morphology similar to the flat squamous cells found in spontaneously differentiating cultures, and will express immunochemical markers and genes characteristic of this cell type (Figure 7 and Figure 8A and B).

After approximately 5 days noggin treated cultures (100-500ng/ml) consisted of colonies of distinct small round cells differing in appearance from ES cells (Figure 9). In contrast to control cultures, colonies in noggin treated dishes contained no flat squamous epithelial cells or cystic structures similar to those in BMP-2 treated cultures. The growth of the colonies was also inhibited in the presence of noggin, and the proportion of cells

bearing the stem cell marker GCTM-2 was reduced compared to control cultures (Figure 10). The noggin cultures were homogenous in appearance, though at later time points some showed a tendency to form palisade cell structures.

5 The immunophenotype of the noggin treated cells showed that they were distinguished by their lack of expression of a number of markers characteristic of ES cells or differentiated cells found spontaneously at early time points (7-10 days) following ES cell subculture under standard conditions. Thus the noggin induced cells are not reactive with the following antibodies: PHM4 recognising
10 MHC Class 1 surface molecules, anti-desim, UJ13A reactive with polysialylated N-CAM, Cam 5.2 reactive with low molecular weight cytokeratins, AMF reactive with vimentin intermediate filaments, antibody to 160 kDa neurofilament protein, GCTM-2 reactive with a proteoglycan present on the surface of ES cells, TG42.1 reactive with a 25kDa protein which copurifies with the proteoglycan
15 recognised by GCTM-2 and is found on stem cells and other cell types, monoclonal antibody GCTM-5 reactive with an unknown molecule present on a small proportion of cells in spontaneously differentiating human EC cell cultures,.

20 The noggin treated cells did not express genes characteristic of pluripotent ES cells, such as Oct-4 or cripto (Figure 11). Neither did they express transcripts for markers of neuroectoderm, such as Pax-6 or nestin (Figure 11). Thus, although the noggin cells could form neurospheres, they are probably not committed to that fate.

25 The noggin treated cells may be further characterised in biological assays. Addition of 25 ng/ml recombinant human BMP-2 along with 250ng/ml noggin led to the appearance of squamous cells and cysts characteristic of spontaneously differentiating ES cell cultures or BMP-2 treated cultures, indicating that BMP-2 could antagonise the noggin effect. The noggin treated cells could be subcultivated under standard conditions for ES cell culture and
30 retain their distinctive morphology under these conditions (Figure 12).

 If the noggin treated cells were placed in neural progenitor culture medium, they formed structures with the appearance of neurospheres (Figure 13) which could be maintained for at least two weeks in culture. This finding,

suggests that the noggin cells are capable of undergoing commitment to neurogenic lineages, in line with effects of noggin in early vertebrate embryos.

The noggin treated cells could be subcultivated under standard conditions for ES cell culture in the presence of a feeder cell layer, and retain
5 their distinctive morphology under these conditions. If the noggin treated cells were subsequently transferred to medium designed to support the growth of neural stem cells, they formed spheres which could be serially cultivated. When these spheres were allowed to reattach to the dish, cells forming elongated processes migrated out onto the monolayer. These cells displayed an
10 immunophenotype consistent with their identification as mature neurons (Figure 14). On the other hand, if noggin treated cells were cultivated in monolayer in the absence of a feeder cell layer and in the presence of serum, they gave rise to cultures consisting of cells with fibroblastoid morphology. At least 50% of the cells in these cultures stained with antibodies against glial fibrillary acidic protein
15 and vimentin (Figure 15).

The noggin cells thus provide a facile route to the isolation of neural progenitors capable of neuronal and glial differentiation from human ES cell cultures. The noggin cells are not themselves neural progenitors, and may be capable of differentiation into a wide variety of other cell types.

20 Thus, although the identity and differentiation potential of the cells induced by treatment of human ES cells with noggin has yet to be defined, the results show that an antagonist of BMP-2 can alter the outcome of differentiation of human ES cells, as predicted by the BMP autocrine loop model, and establish proof of principle that the control point regulating
25 extraembryonic differentiation of ES cells is an important regulatory node in governing the fate of this cell. It may be that different antagonists, such as Gremlin or uncharacterised BMP antagonists, will also modify spontaneous differentiation of human ES cells, to enhance stem cell renewal or produce different forms of committed cell. The noggin results show for the first time a
30 directed differentiation of human ES cells by a polypeptide into a homogenous cell population.

Finally it is to be understood that various other modifications and/or alterations may be made without departing from the spirit of the present invention as outlined herein.

CLAIMS:

1. A preparation of undifferentiated embryonic stem (ES) cells maintained in an undifferentiated state and wherein said cells will undergo stem cell renewal or somatic differentiation.
5
2. A preparation according to claim 1 wherein said undifferentiated ES cells will differentiate into a somatic lineage upon introduction of a differentiating signal.
10
3. A method of culturing undifferentiated ES cells, said method including:
obtaining a source of undifferentiated ES cells; and
culturing the ES cells in the presence of an indirect or direct antagonist of a BMP-mediated default pathway of extraembryonic endoderm differentiation.
15
4. A method of producing a progenitor cell from an ES cell, said method comprising:
obtaining a source of undifferentiated ES cells; and
culturing the ES cells in the presence of an antagonist of a BMP
20 mediated default pathway of extra embryonic endoderm differentiation for a period sufficient to differentiate the ES cell to a progenitor cell.
5. A method according to claims 3 or 4 wherein the source of undifferentiated ES cells is selected from the group including an embryo, a
25 blastocyst, or a culture of undifferentiated orientated stem cells.
6. A method according to any one of claims 3 to 5 wherein the ES cells are cultured in the presence of an indirect or direct antagonist of a BMP-2 mediated default pathway of extraembryonic endoderm differentiation.
30
7. A method according to claim 6 wherein the antagonist is a direct antagonist of the BMP-2 mediated default pathway selected from the group including fetuin, noggin, chordin, gremlin, follistatin, cerberus, amnionless, DAN,

or the ectodomain of BMPR1A (a BMP receptor protein) or ligand binding domains from other BMP receptors.

8. A method according to claim 7 wherein the antagonist comprises a
5 domain of noggin.

9. A method according to claim 8 wherein the antagonist is a human or mouse noggin.

10 10. A method according to claim 8 wherein the noggin is a mouse BMP antagonist noggin comprising amino acid residues 20 to 232 of mouse noggin.

11. A method according to any one of claims 8 to 10 wherein the noggin is in the range of 100 to 500 ng/ml.

15

12. A method according to any one of claims 4 to 11 wherein the period sufficient to differentiate the ES cell to a progenitor cell is at least 5 days and the noggin is in the range of 100 to 500 ng/ml.

20 13. An undifferentiated ES cell prepared by a method according to any one of claims 3 or 5 to 11.

14. A progenitor cell prepared by the method according to any one of claims 4 to 12.

25

15. An undifferentiated ES cell or a progenitor cell according to any one of claims 1, 13 or 14 characterised by being unreactive with any one of the antibodies including PHM4 recognising MHC Class 1 surface molecules, anti-desmin, UJ13A reactive with polysialylated N-CAM, Cam 5.2 reactive with low
30 molecular weight cytokeratins, AMF reactive with vimentin intermediate filaments, antibody to 160 kDa neurofilament protein, GCTM-2 reactive with a proteoglycan present on the surface of ES cells, TG42.1 reactive with a 25 kDa protein which copurifies with the proteoglycan recognised by GCTM-2 and is found on stem cells and other cell types, monoclonal antibody GCTM-5 reactive

with an unknown molecule present on a small proportion of cells in spontaneously differentiating human EC cell cultures.

16. A method according to claim 6 wherein the antagonist is an indirect
5 antagonist of the BMP-2 mediated default pathway selected from the group including insulin, insulin analogue, or a cell derived insulin or insulin analogue-induced-factor.

17. A method according to claim 16 said method including:
10 obtaining a source of undifferentiated ES cells; and
culturing the ES cells in the presence of insulin or an insulin analogue.

18. A method according to claim 17 further including culturing the embryonic
15 tem cells in the presence of a fibroblast feeder layer.

19. A method according to claim 18 including the steps of:
obtaining a source of undifferentiated ES cells;
culturing the ES cells on a fibroblast feeder cell layer; and
20 subjecting the cultured ES cells on the fibroblast feeder cell layer to an
effective amount of insulin or an insulin analogue.

20. A method according to any one of claims 17 to 19 wherein the insulin or
insulin analogue is present in the range of 10ng/ml to 10µg/ml.

25 21. A method according to claim 16, said method including:
obtaining a source of undifferentiated ES cells; and
culturing the ES cells in the presence of a cell derived insulin or insulin
analogue induced factor.

30 22. A method according to claim 21 wherein the cell derived insulin or insulin
analogue induced factor is derived from conditioned medium of another culture
of ES cells exposed to insulin or insulin analogue.

23. A method according to claim 22 wherein the other culture of ES cells is exposed to insulin in the range of 10ng/ml to 10µg/ml.
24. An undifferentiated ES cell or a progenitor cell prepared by the method
5 according to any one of claims 16 to 23.
25. A method of culturing undifferentiated ES cells, said method including:
obtaining a source of undifferentiated ES cells; and
culturing the ES cells in the presence of an indirect and direct antagonist
10 of a BMP-mediated default pathway of extraembryonic endoderm differentiation.
26. A method according to claim 25 wherein the BMP mediated default pathway is a BMP-2 mediated default pathway.
- 15 27. A method according to claim 25 or 26 wherein the culturing of the ES cell in the presence of the direct antagonist is according to any one of claims 7 to 12.
28. A method according to any one of claims 25 to 27 wherein the culturing
20 of the ES cell in the presence of the indirect antagonist is according to any one of claims 15 to 23.
29. An undifferentiated ES cell or a progenitor cell prepared by the method according to any one of claims 25 to 28.
25
30. A method of producing a somatic cell from an undifferentiated ES cell, said method including:
obtaining a progenitor cell according to any one of claims 14, 24 or 29;
obtaining a progenitor culture medium;
30 culturing the progenitor cell in the progenitor culture medium; and
obtaining a somatic cell from a lineage of the progenitor.

31. A method according to claim 30 wherein the progenitor culture medium is derived from a culture of neural progenitors which can differentiate into neural or glial cells.
- 5 32. A somatic cell prepared by the method according to claim 30 or 31.
33. A neural cell prepared by the method according to claims 30 or 31 .
34. A method according to claim 30 or 31 wherein the ES cells are cultured
10 in the absence of a feeder cell layer.
35. A glial cell prepared by the method according to claim 34.
36. A cell derived insulin or insulin analogue induced factor capable of
15 maintaining ES cells in an undifferentiated state but capable of differentiation into a somatic lineage said factor derived from ES cells exposed to insulin or insulin analogue.
37. A factor according to claim 36 wherein the insulin or insulin analogue is
20 exposed to the ES cells in the range of 10ng/ml to 10µg/ml for a period of at least 5 days.

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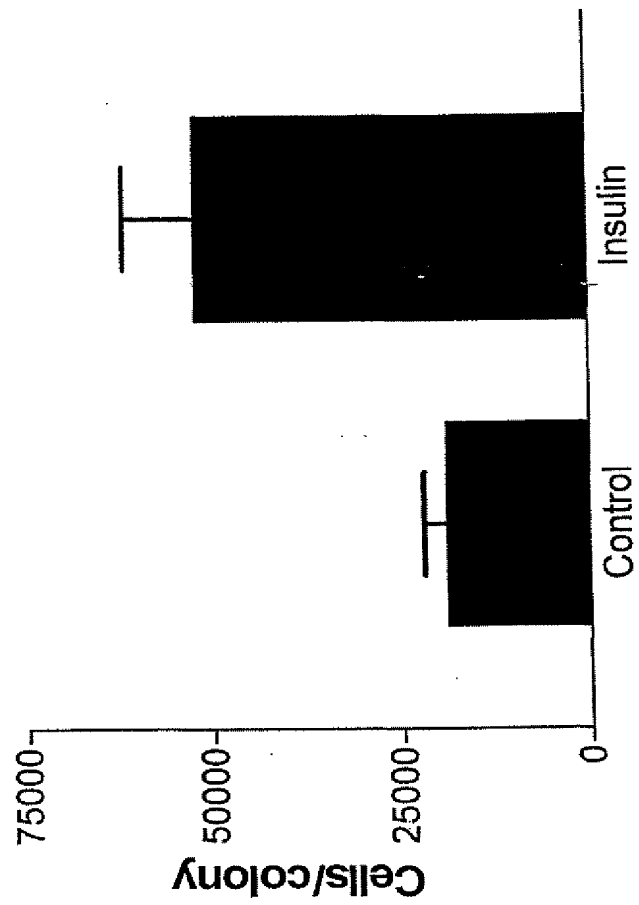
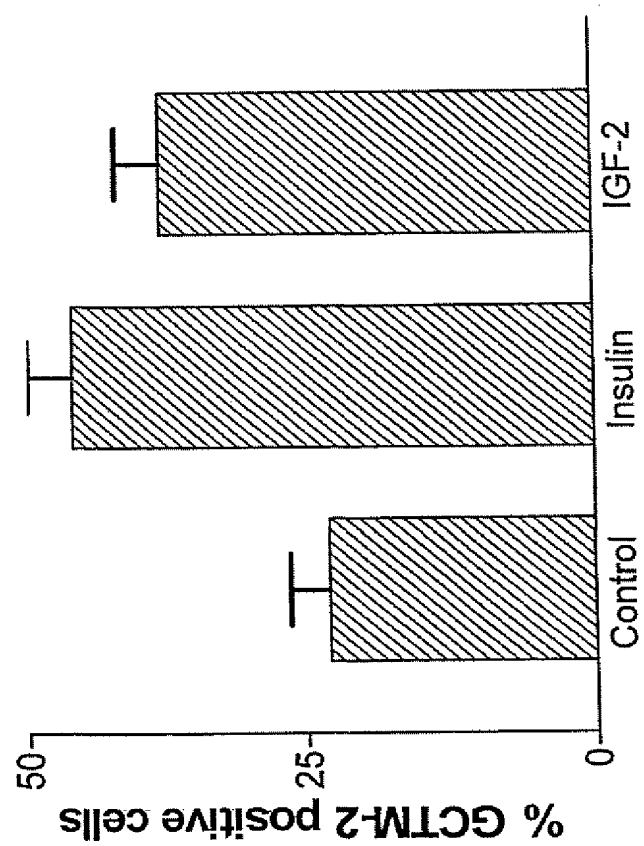


FIG 1A

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**FIG 1B**

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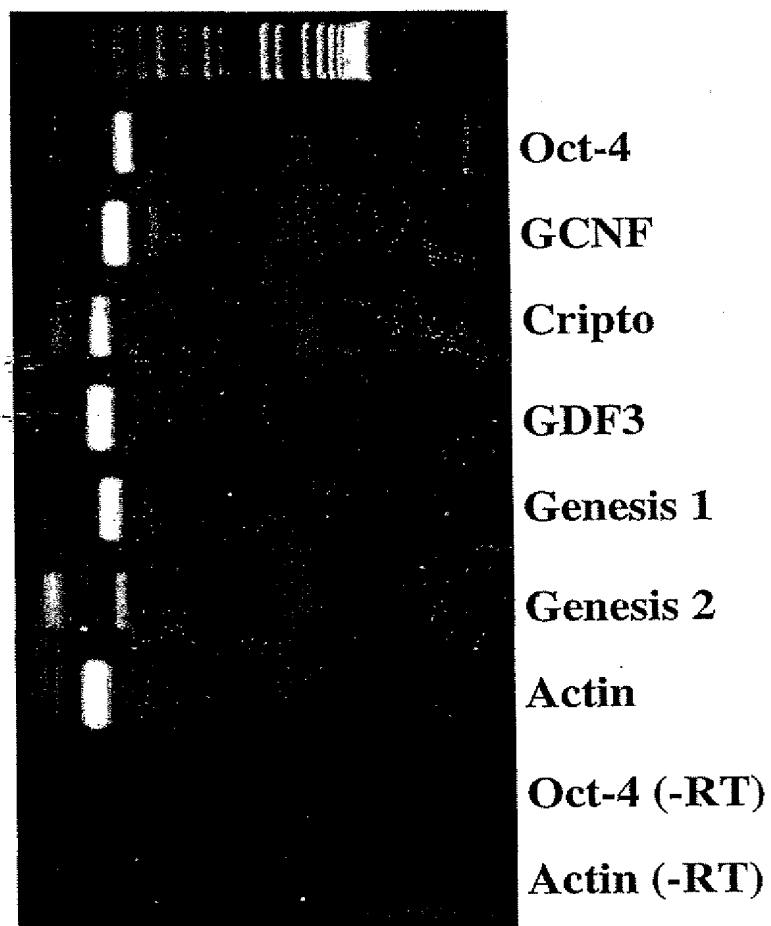


FIG 2

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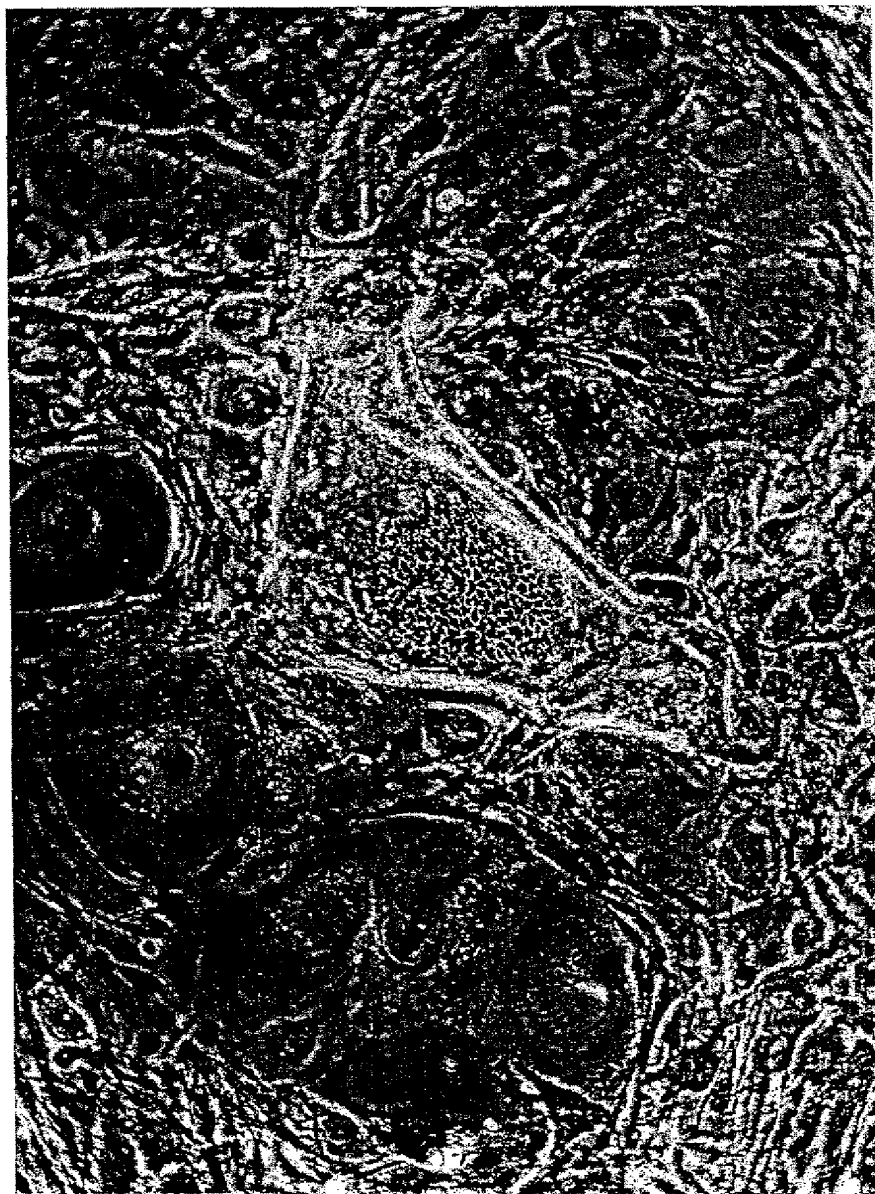


FIG 3A

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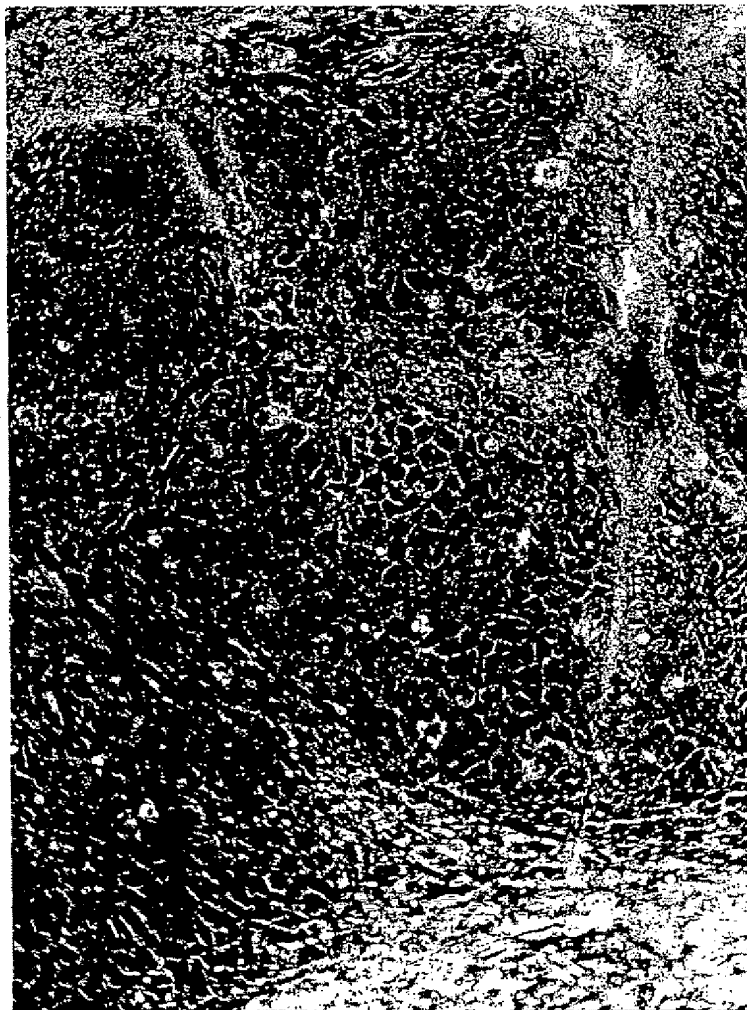


FIG 3B

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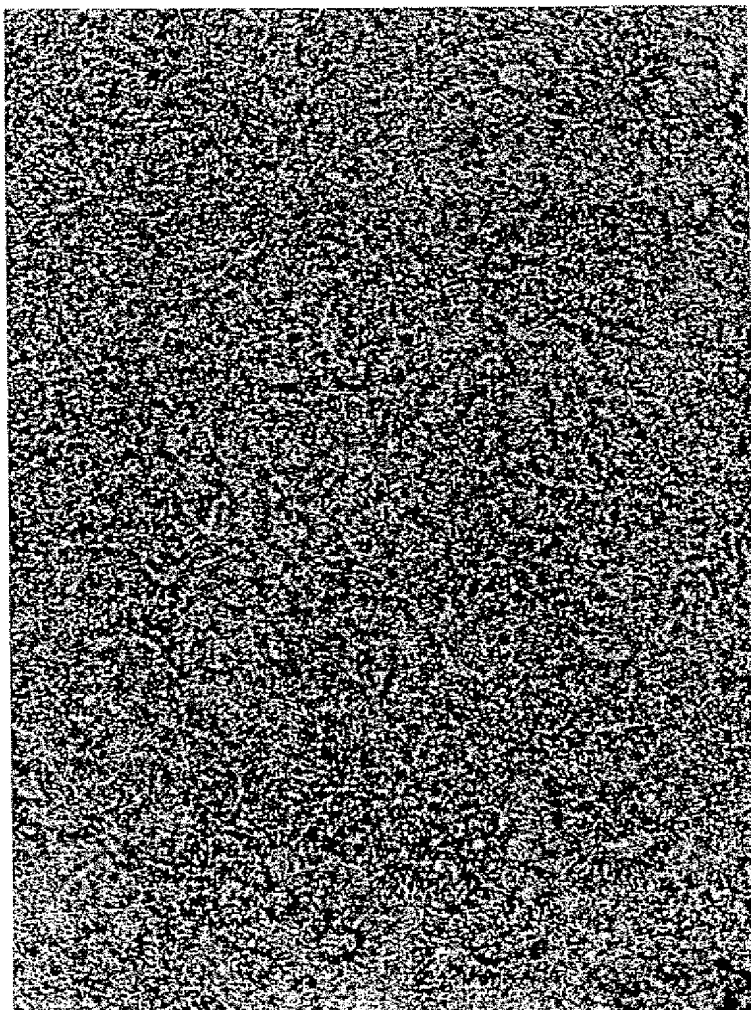
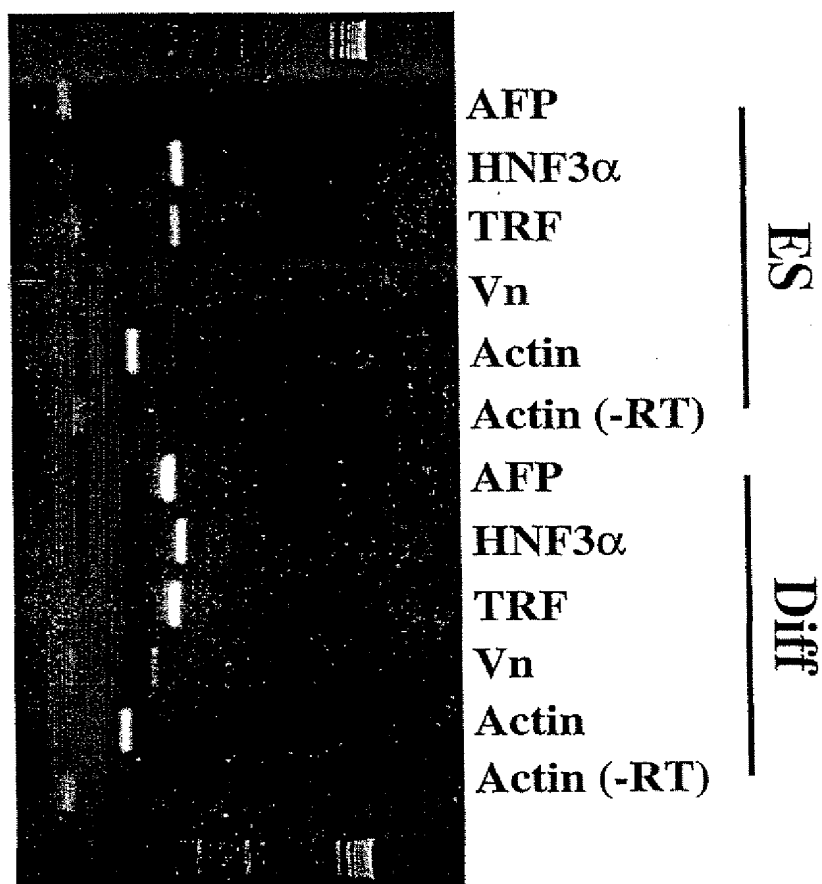


FIG 3C

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**FIG 4**

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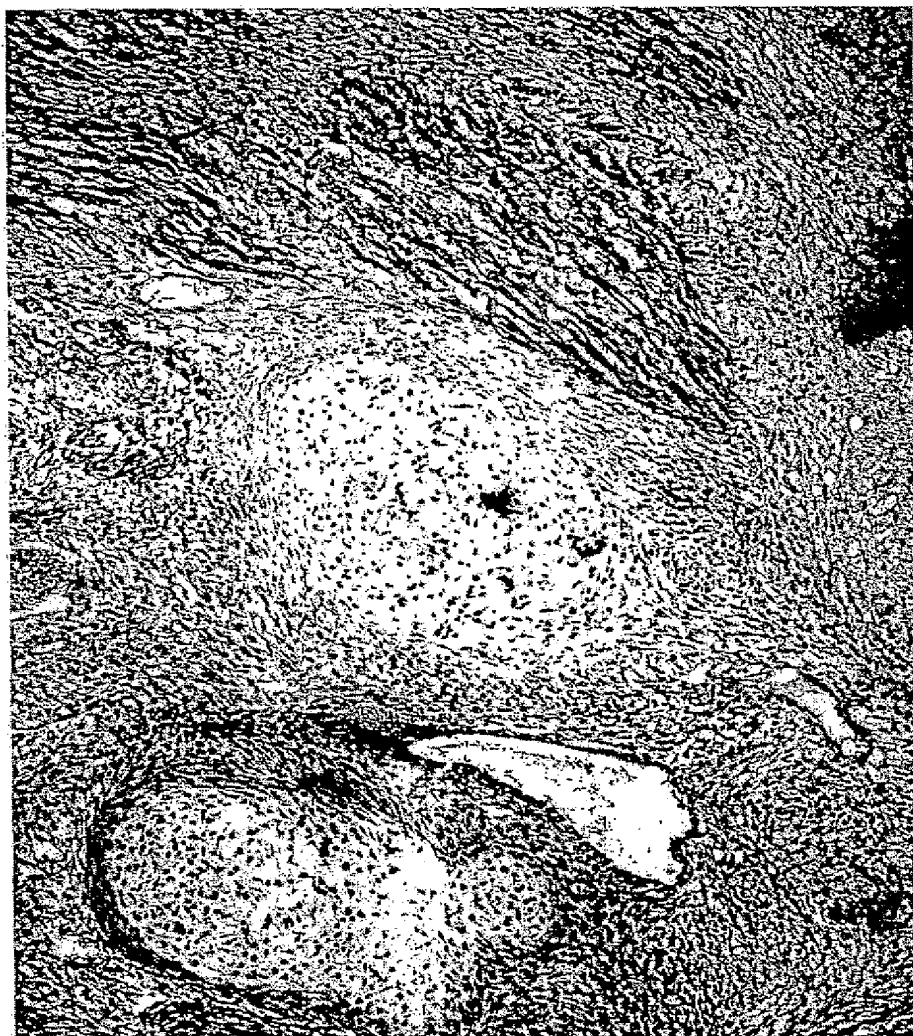


FIG 5

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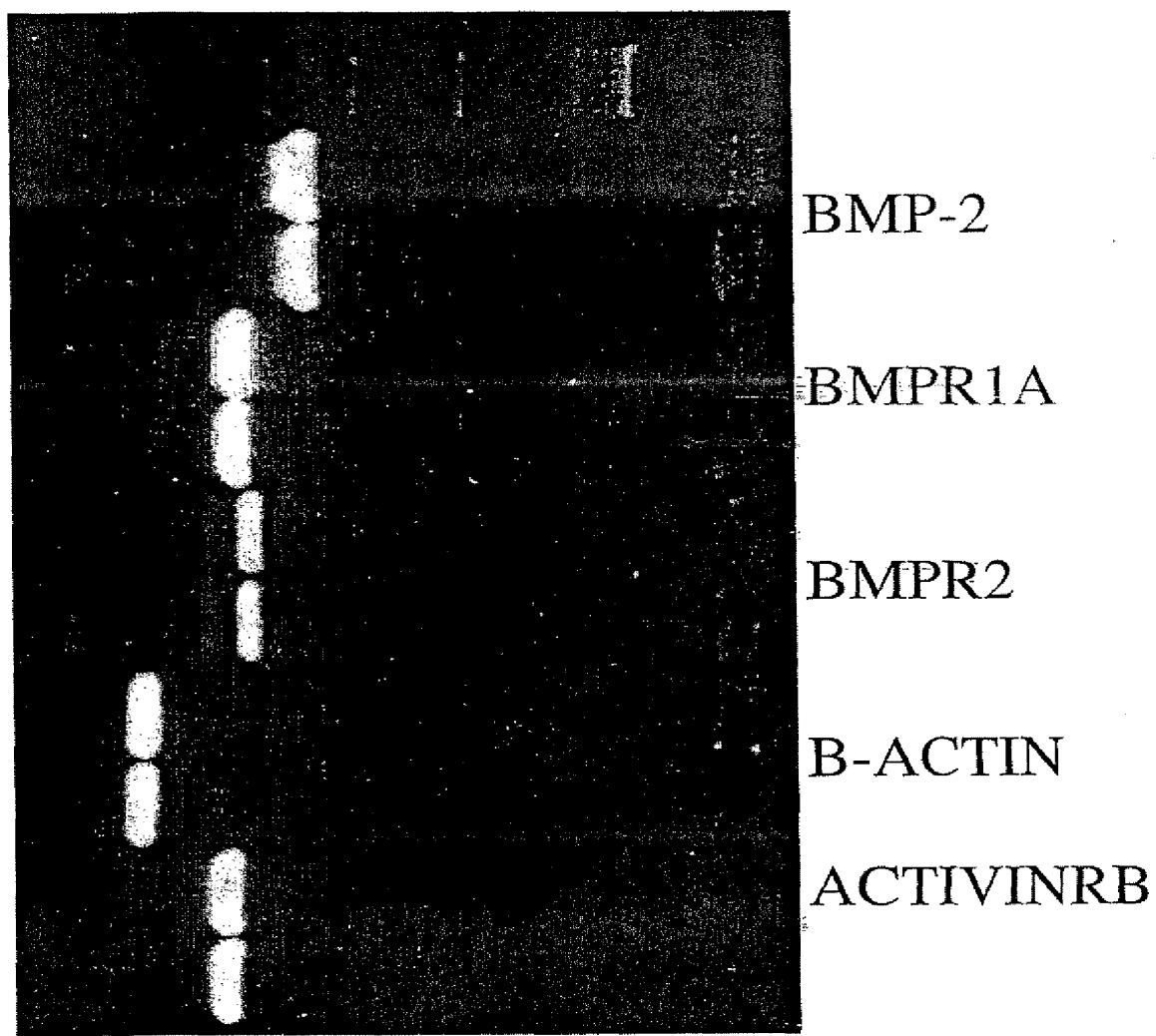


FIG 6

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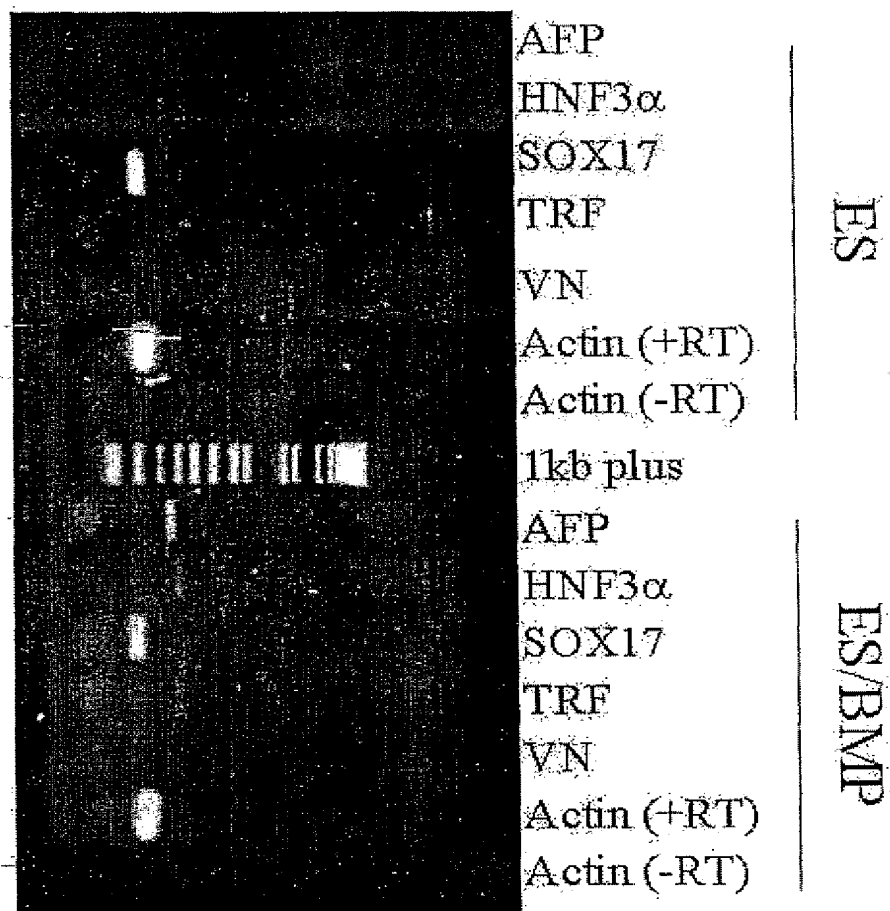


FIG 7

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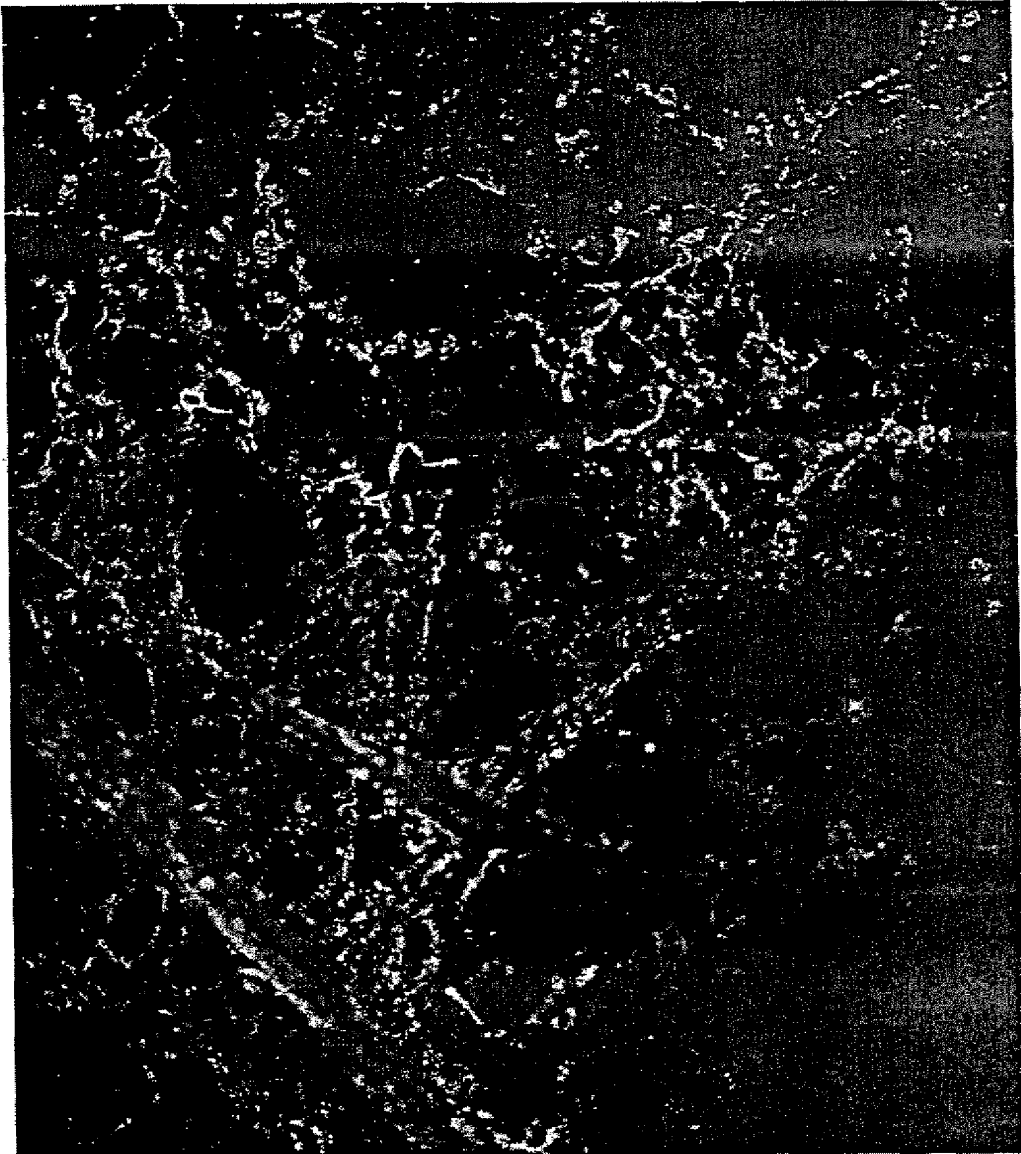


FIG 8A

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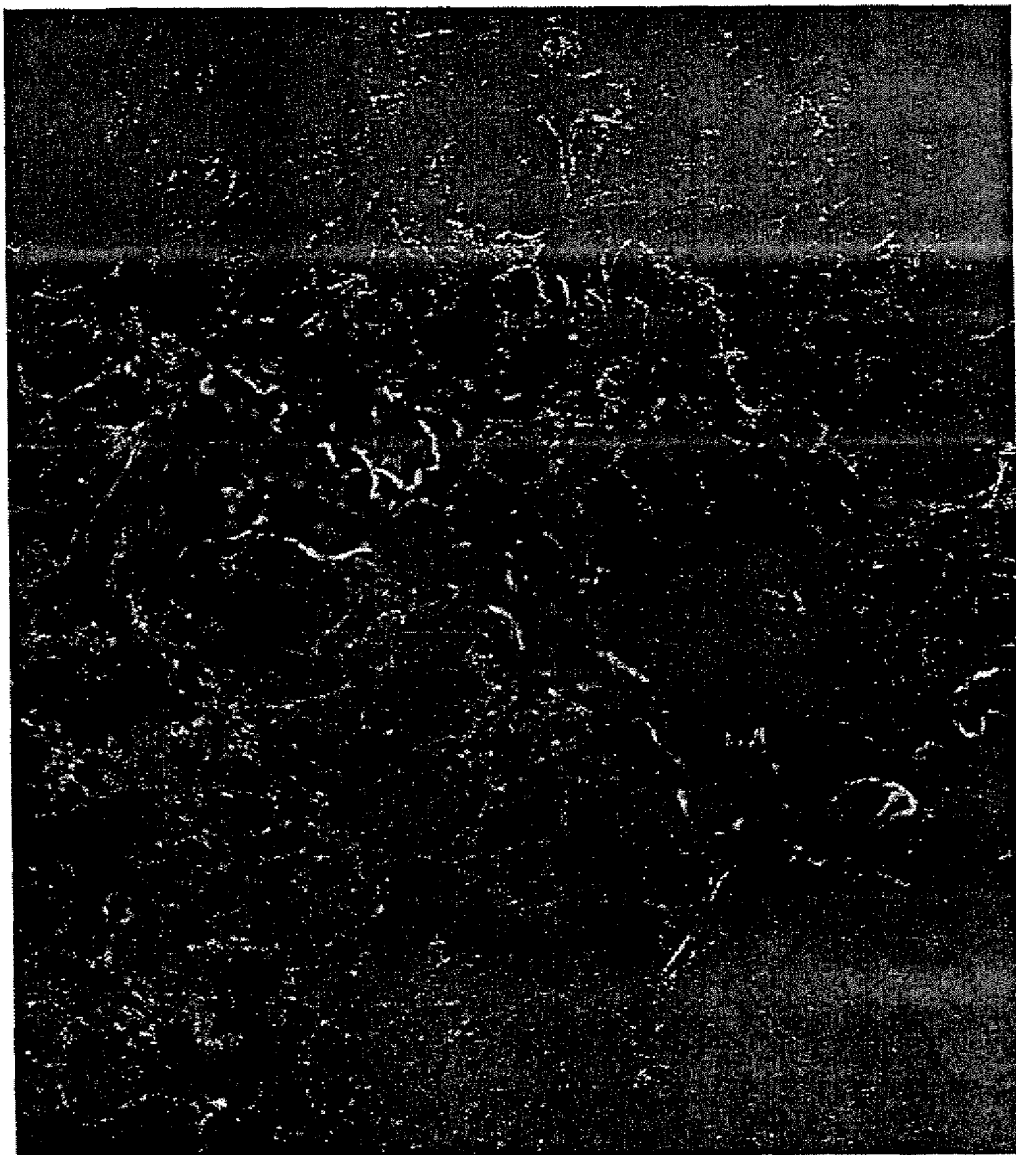


FIG 8B

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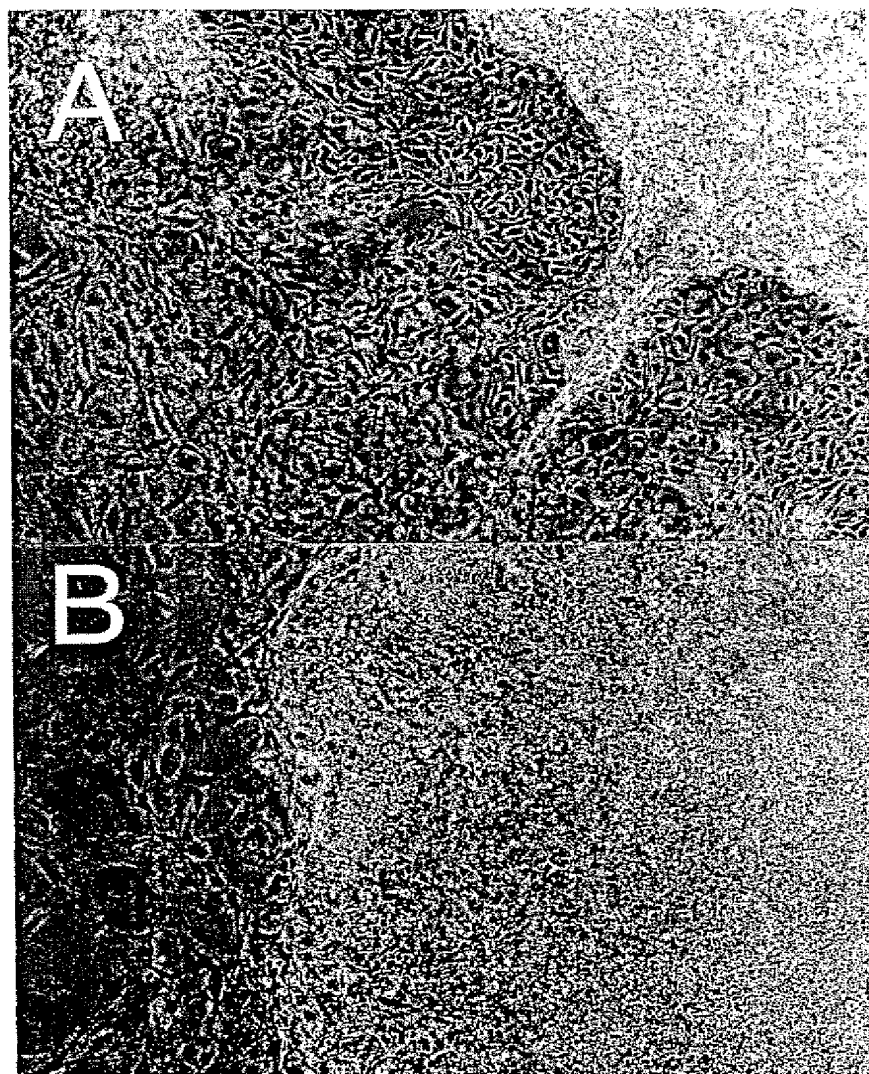


FIG 9

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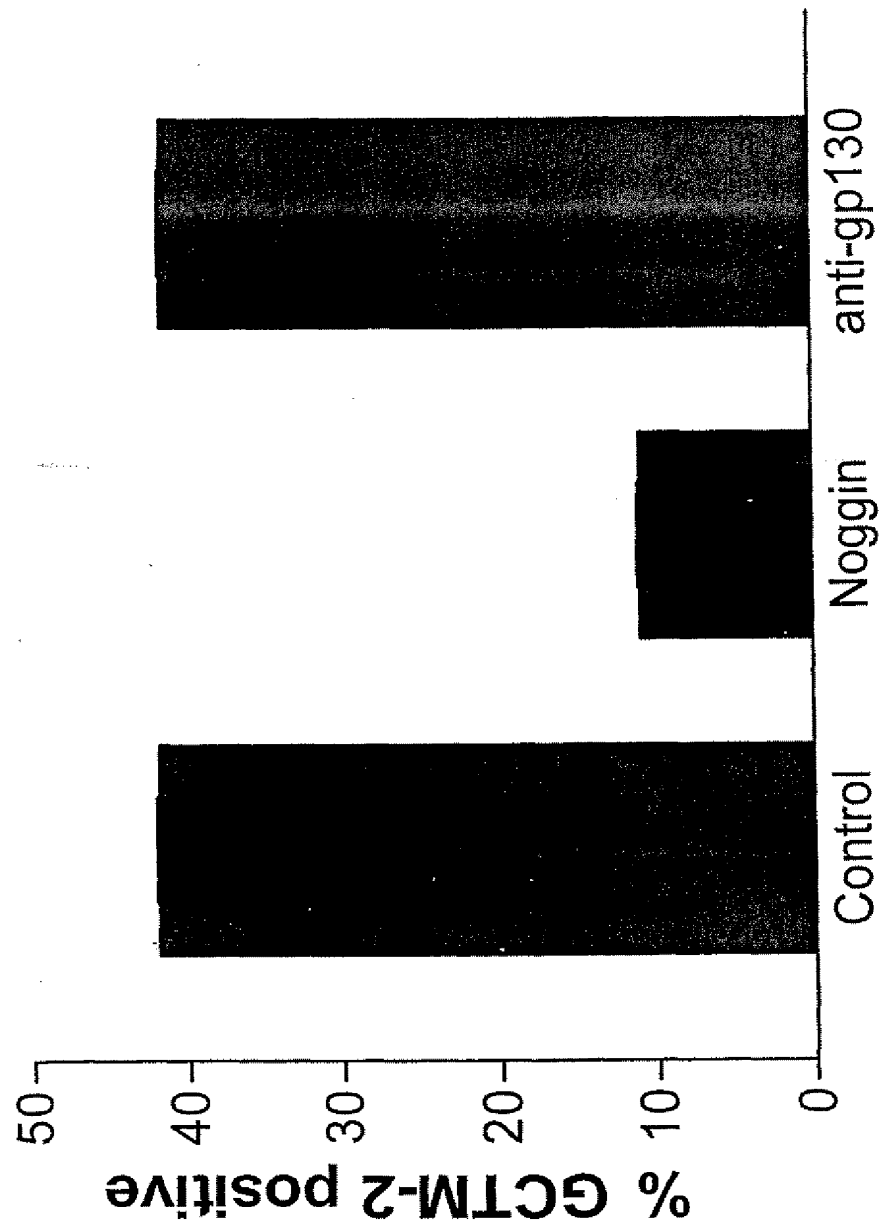
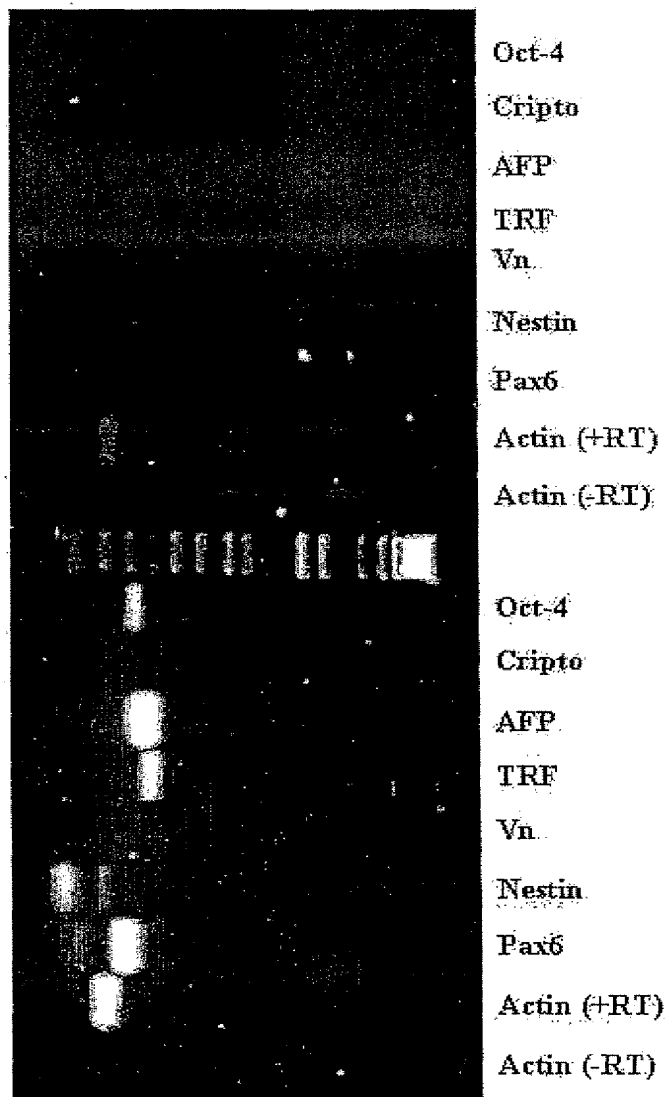


FIG 10

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**FIG 11**

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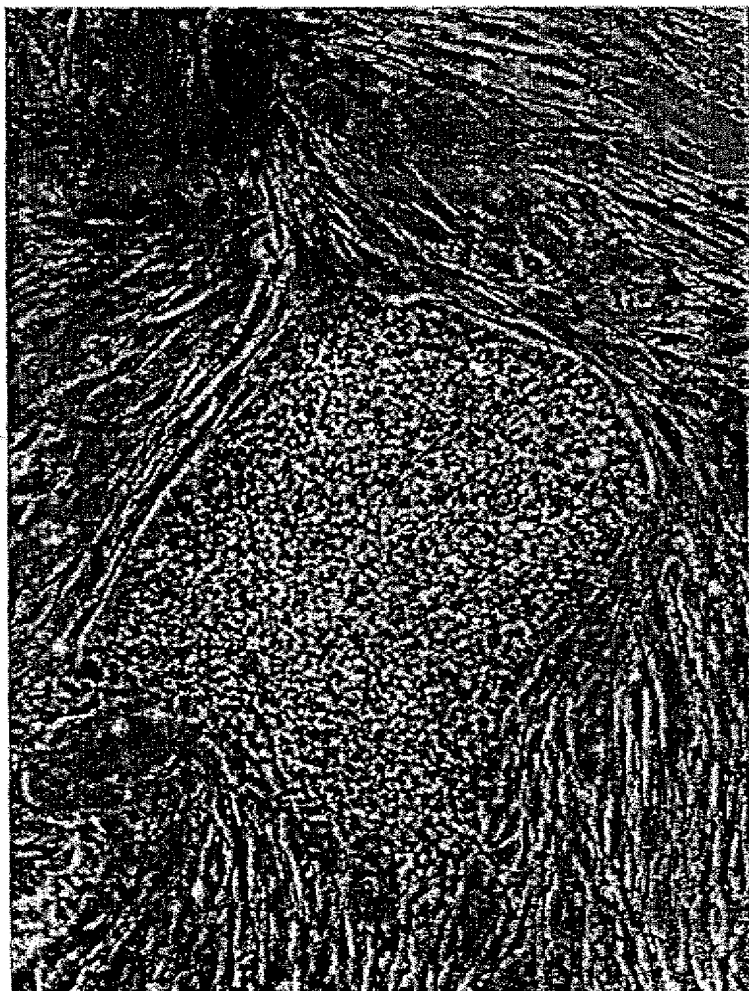


FIG 12

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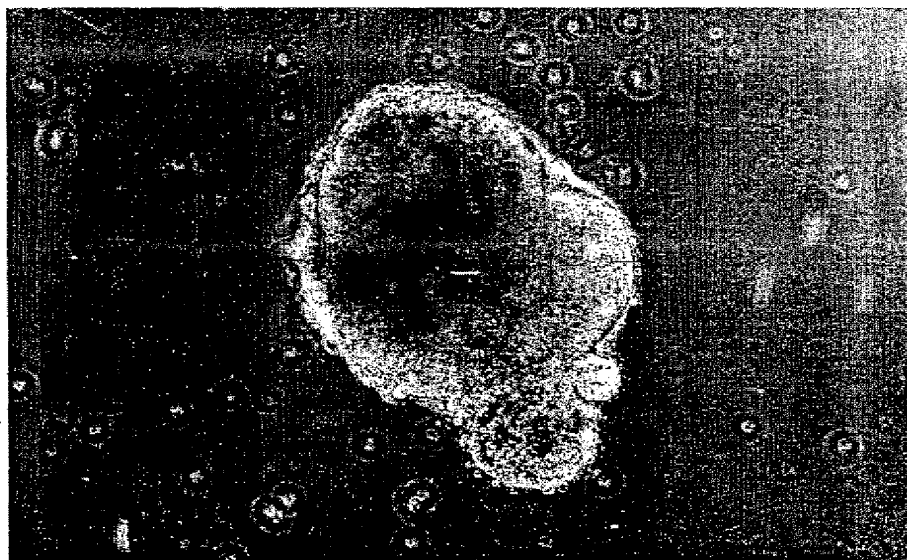


FIG 13

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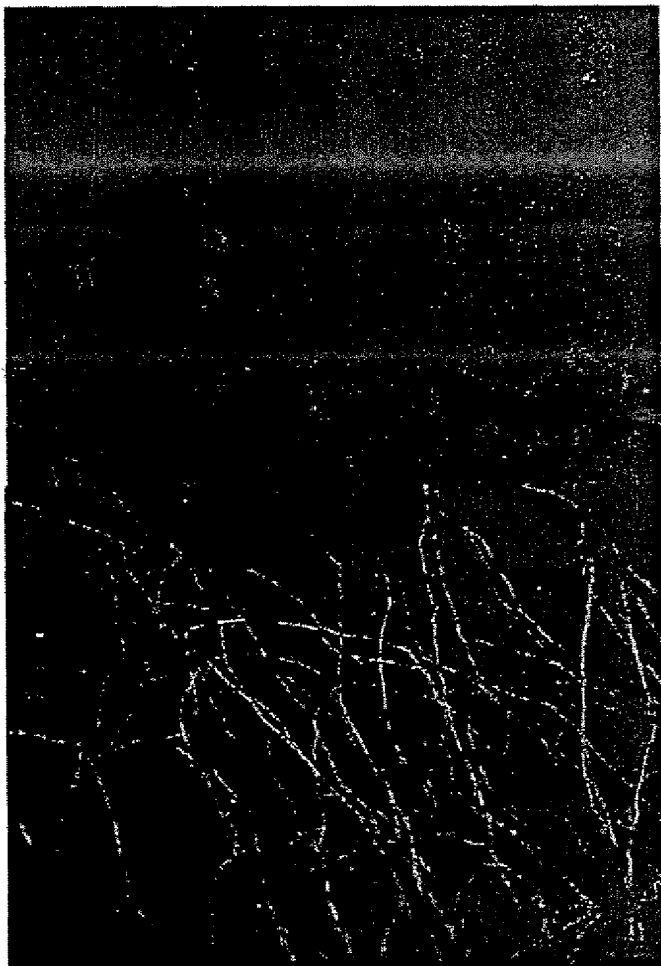


FIG 14

19/19



FIG 15

INTERNATIONAL SEARCH REPORT

International application No.

PCT/AU01/00735

A. CLASSIFICATION OF SUBJECT MATTER																						
Int. Cl. ⁷ : C12N 5/08																						
According to International Patent Classification (IPC) or to both national classification and IPC																						
B. FIELDS SEARCHED																						
Minimum documentation searched (classification system followed by classification symbols) SEE ECLECTRONIC DATABASES																						
Documentation searched other than minimum documentation to the extent that such documents are included in the fields searched SEE ELECTRONIC DATABASES																						
Electronic data base consulted during the international search (name of data base and, where practicable, search terms used) WPIDS, Medline, CA: embryonic stem cells, es cells, bone morphogenic protein, bone morphogenetic protein, BMP, fetuin, noggin, chordin, gremlin, follistatin, cerebus, amnionless, DAN, insulin																						
C. DOCUMENTS CONSIDERED TO BE RELEVANT																						
Category*	Citation of document, with indication, where appropriate, of the relevant passages	Relevant to claim No.																				
X	WO 98/30679 A (Life Technologies Inc) Whole Document, Claims 1, 35, 54	3-6, 16-24																				
<input type="checkbox"/> Further documents are listed in the continuation of Box C <input checked="" type="checkbox"/> See patent family annex																						
<p>* Special categories of cited documents:</p> <table border="0"> <tr> <td>"A"</td> <td>document defining the general state of the art which is not considered to be of particular relevance</td> <td>"T"</td> <td>later document published after the international filing date or priority date and not in conflict with the application but cited to understand the principle or theory underlying the invention</td> </tr> <tr> <td>"E"</td> <td>earlier application or patent but published on or after the international filing date</td> <td>"X"</td> <td>document of particular relevance; the claimed invention cannot be considered novel or cannot be considered to involve an inventive step when the document is taken alone</td> </tr> <tr> <td>"L"</td> <td>document which may throw doubts on priority claim(s) or which is cited to establish the publication date of another citation or other special reason (as specified)</td> <td>"Y"</td> <td>document of particular relevance; the claimed invention cannot be considered to involve an inventive step when the document is combined with one or more other such documents, such combination being obvious to a person skilled in the art</td> </tr> <tr> <td>"O"</td> <td>document referring to an oral disclosure, use, exhibition or other means</td> <td>"&"</td> <td>document member of the same patent family</td> </tr> <tr> <td>"P"</td> <td>document published prior to the international filing date but later than the priority date claimed</td> <td></td> <td></td> </tr> </table>			"A"	document defining the general state of the art which is not considered to be of particular relevance	"T"	later document published after the international filing date or priority date and not in conflict with the application but cited to understand the principle or theory underlying the invention	"E"	earlier application or patent but published on or after the international filing date	"X"	document of particular relevance; the claimed invention cannot be considered novel or cannot be considered to involve an inventive step when the document is taken alone	"L"	document which may throw doubts on priority claim(s) or which is cited to establish the publication date of another citation or other special reason (as specified)	"Y"	document of particular relevance; the claimed invention cannot be considered to involve an inventive step when the document is combined with one or more other such documents, such combination being obvious to a person skilled in the art	"O"	document referring to an oral disclosure, use, exhibition or other means	"&"	document member of the same patent family	"P"	document published prior to the international filing date but later than the priority date claimed		
"A"	document defining the general state of the art which is not considered to be of particular relevance	"T"	later document published after the international filing date or priority date and not in conflict with the application but cited to understand the principle or theory underlying the invention																			
"E"	earlier application or patent but published on or after the international filing date	"X"	document of particular relevance; the claimed invention cannot be considered novel or cannot be considered to involve an inventive step when the document is taken alone																			
"L"	document which may throw doubts on priority claim(s) or which is cited to establish the publication date of another citation or other special reason (as specified)	"Y"	document of particular relevance; the claimed invention cannot be considered to involve an inventive step when the document is combined with one or more other such documents, such combination being obvious to a person skilled in the art																			
"O"	document referring to an oral disclosure, use, exhibition or other means	"&"	document member of the same patent family																			
"P"	document published prior to the international filing date but later than the priority date claimed																					
Date of the actual completion of the international search 6 August 2001		Date of mailing of the international search report 17 AUGUST 2001																				
Name and mailing address of the ISA/AU AUSTRALIAN PATENT OFFICE PO BOX 200, WODEN ACT 2606, AUSTRALIA E-mail address: pct@ipaustalia.gov.au Facsimile No. (02) 6285 3929		Authorized officer CRAIG ALLATT Telephone No : (02) 6283 2414																				

INTERNATIONAL SEARCH REPORT

International application No.

PCT/AU01/00735

Box I Observations where certain claims were found unsearchable (Continuation of item 2 of first sheet)

This international search report has not been established in respect of certain claims under Article 17(2)(a) for the following reasons:

1. ☐ Claims Nos :
because they relate to subject matter not required to be searched by this Authority, namely:
2. ☒ Claims Nos : 1, 2, in part 15, 36 - 37
because they relate to parts of the international application that do not comply with the prescribed requirements to such an extent that no meaningful international search can be carried out, specifically:
The claims are not limited to the technical features that define the invention.
3. ☐ Claims Nos :
because they are dependent claims and are not drafted in accordance with the second and third sentences of Rule 6.4(a)

Box II Observations where unity of invention is lacking (Continuation of item 3 of first sheet)

This International Searching Authority found multiple inventions in this international application, as follows:

1. ☐ As all required additional search fees were timely paid by the applicant, this international search report covers all searchable claims
2. ☐ As all searchable claims could be searched without effort justifying an additional fee, this Authority did not invite payment of any additional fee.
3. ☐ As only some of the required additional search fees were timely paid by the applicant, this international search report covers only those claims for which fees were paid, specifically claims Nos.:
4. ☐ No required additional search fees were timely paid by the applicant. Consequently, this international search report is restricted to the invention first mentioned in the claims; it is covered by claims Nos.:

Remark on Protest

- ☐ The additional search fees were accompanied by the applicant's protest.
- ☐ No protest accompanied the payment of additional search fees.

INTERNATIONAL SEARCH REPORT
Information on patent family members

International application No.
PCT/AU01/00735

This Annex lists the known "A" publication level patent family members relating to the patent documents cited in the above-mentioned international search report. The Australian Patent Office is in no way liable for these particulars which are merely given for the purpose of information.

Patent Document Cited in Search Report		Patent Family Member			
WO	9830679	AU	57349/98	EP	986635
END OF ANNEX					